

too small for the lower ranks of people : but if he had considered, that at the time silver was first made the standard of money in this country, that metal was of more value, compared with the necessaries of life, than gold is now, he would not have advanced such a proposition ; because it was arraigning the wisdom of those early times, which, I am confident, he did not mean. For, upon this principle, they ought not to have made silver their standard at that time ; but rather copper or lead. The argument was certainly a good one, why *they* should not make *gold* their standard. But, I think, upon his principle, as *they* then judged *silver* to be the fittest metal to be their standard ; so we, on account of the great increased plenty both of silver and gold, should now establish *gold* the standard.

Silver, to go no farther back than Henry the Second's time ^b, was, compared to its present value in the purchase of provisions, as 15 to 1.

Gold is in value at present, compared to silver, as $14\frac{1}{2}$ to 1.

^b Vide Lord Lyttelton's History of that Reign.

Therefore

Therefore gold is scarcely of so much value, in the purchase of necessaries, as silver was in the time of Henry II.

In respect to inland concerns, I cannot see any injury done from this change of standard; provided, at the time of making the alteration, standard gold money bore an exact proportional intrinsic value as bullion, as the standard silver money does now.

And, indeed, it might furnish an immediate remedy to the present inconveniences; yet perhaps they might recur in future: by this means we should get rid of most of the ill consequences of diminishing the silver coins, while they remain the standard-money; for property of every kind would be equally secured as it is now, by exchanging the measure from silver to gold.

Upon this supposition, we might diminish the value of the silver coin with equal freedom as we now do the copper coins; without paying regard to their real value as bullion: then we could no longer with propriety say, that, as the shilling is decreased in value, artificers must have more
for

for their day's work; for the guinea, or gold coin, being then the measure and standard of property, and consequently the object of every man's pursuit, every one would be perfectly satisfied, though twenty-one of them were not intrinsically worth a guinea, provided they passed in currency for so much; they would no more regard the intrinsic value of the shilling, than they do at present the half-penny, while twenty-four of them will purchase a shilling. And this indifference would arise from neither of them being the standard-money, or measure of property: this consideration might lead us to suppose, that government in that case might acquire great gains, by debasing the silver coins; and be attended with no greater inconveniences than debasing or diminishing the copper coins at present.

From what I have above written, perhaps the reader may apprehend I am an advocate for changing the standard from silver to gold: yet I by no means recommend it, but as a last resource, after the most mature deliberation, and repeated trials of other methods, whether the pre-
sent

sent inconveniences arising from the scarcity of silver money cannot be remedied by any other mode.

Silver has been the standard money of this, and of every other nation, for time immemorial: and unless all the nations in Europe should unite to alter the standard to gold, at the same time; our standard alone being gold, might make it extremely difficult to fix the par of exchanges between other nations and us; that is to say, to ascertain from time to time the intrinsic value of their standard *silver-money*, with our standard *gold-money*. And I think the fluctuations of exchange, occasioned by the frequent variations in the intrinsic value of the two metals, could not but render it very intricate and uncertain; and therefore, I think, nothing but an absolute necessity should authorize us to make an alteration of the standard: for the cause of these variations would be duplicate, first, in respect to the balance of trade, being more or less favourable; and next to the two different metals being continually liable to variations in intrinsic value;

value; and therefore the *very basis of our exchanges* would be liable to fluctuation.

And it is very probable, many other difficulties, that have not occurred to me, may arise from such an innovation. All that I propose on this subject is, to offer the reflections as have occurred, that the reader may adopt such opinion as he may think proper.

The advocates for making gold the standard, in preference to silver, do not urge as a reason, that silver is too bulky and burthenfome, on account of its increased plenty; on the contrary, they profess a desire of having it more plentiful, being too scarce for the common transactions of life: and they think we might by this means diminish the value of our silver coins, without any violation of the value of property, or injury to any one.

But I confess, it appears to me, that the changing the standard from one metal to another, is far from coming to the bottom of the evil; for in case of a change
of

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of standard, it is more than probable, that in a few years we should be under the same difficulties, with regard to our new standard, as we are at this time in respect to the old one.

PART

* * * * *

P A R T II.

* * * * *

C H A P. I.

Mr. Lowndes's Proposition for Amendment of the Coins in the Reign of William III.

ABOUT the year 1695 the current coin of this kingdom was found to be in so bad a state, as to occasion great hindrance and loss in the collection of taxes, as well as in every commercial transaction; which caused a public enquiry to be made into the proper method to be pursued for amendment; and, by order of the then Lords Commissioners of his Majesty's treasury, Mr. Lowndes, their secretary,

tary, delivered to them a report of his opinion, what measures were proper to be taken in carrying on a new coinage; which report, by their Lordship's directions, was published, in order that the opinion of the world might be taken thereon; but, as the reader may not have that report at hand, to refer to, I shall employ a few pages in making such extracts from it as may be adapted to the present circumstances, omitting such parts of his plan as I conceive to be merely temporary. Mr. Lowndes, after setting forth the variations that had been made in our standard of money, from the 28th of Edward I. to the time in which he wrote, proceeds as follows :

* * *

“ BY the careful observing of which deduction here
 “ made, from the indentures of the mint, for above
 “ four hundred years past (many of which are yet ex-
 “ tant, and have been seen and examined by me) it
 “ doth evidently appear, That it has been a policy con-
 “ stantly practised in the mints of England (the like
 “ having indeed been done in all foreign mints belong-
 “ ing to other governments) to raise the value of the
 “ coin in its extrinsic denomination, from time to
 “ time, as any exigence or occasion required; and
 “ more especially to encourage the bringing of bullion
 “ into the realm to be coined (though sometimes, when
 “ the

“ the desired end was obtained, the value has been
 “ suffered to fall again); so that in the whole number
 “ of years, from the twenty-eighth of Edward I. until
 “ this time, by such variations, the extrinsic value or
 “ denomination of the silver is raised in about a triple
 “ proportion; that is to say, in the reign of the said
 “ king Edward I. (as is plain by this narrative) a
 “ pound weight Troy of sterling silver was shorn at
 “ twenty shillings and three pence, and consequently,
 “ two hundred forty-three pence, or twenty shillings
 “ and one fourth of a shilling, or one pound and one
 “ eightieth part of a pound by tale, were then coined
 “ out of the said pound weight Troy: whereas at this
 “ day, and for about ninety years past, a pound weight
 “ Troy of like silver is, and hath been, coined into se-
 “ ven hundred forty-four pence, or sixty-two shillings,
 “ or three pounds, and one tenth of a pound, by tale;
 “ the pound weight Troy having then and now the same
 “ weight and fineness. And as to the gold, I need only
 “ to observe from the foregoing deduction, that in the
 “ eighteenth of Edward I. a pound weight fine, twenty-
 “ three carats, three grains and one half, was coined
 “ into fifteen pounds by tale: whereas at this day, a
 “ pound weight of gold, of the fineness only of twenty-
 “ two carats, is coined into forty-four pounds ten shil-
 “ lings. And this method of raising the extrinsic value
 “ of the gold and silver, in the denominations of the
 “ coins, as it hath been constant almost in the reign of
 “ every king, so no inconvenience, disgrace or mischief
 “ (as can be observed) has ever accrued by the doing
 “ thereof at any time, when a just, necessary, or reason-
 “ able cause gave occasion thereunto.

“ The which being premised, and every project for
 “ debasing the money (by the reason before given) be-
 “ ing rejected, as dangerous, dishonourable, and need-
 “ less; it remains, that our nation, in its present ex-
 “ igeance, may avail itself by raising the value of its
 “ coins; and this may be effected, either by making the
 “ respective pieces called crowns, half-crowns, shil-
 “ lings,

“ lings, &c. to be leffer in weight; or by continuing
 “ the same weight or bigness which is at present in the
 “ unclipt monies, and ordaining at the same time, that
 “ every such piece shall be current at a higher price in
 “ tale.

“ But, before I proceed to give my opinion upon this
 “ subject, it seems necessary for me to assert and prove
 “ an hypothesis, which is this, namely, *That making the*
 “ *pieces less, or ordaining the respective pieces (of the pre-*
 “ *sent weight to be current at a higher rate, may equally*
 “ *raise the value of the silver in our coin.* The former
 “ of these finds many precedents in the indentures above
 “ recited; but the latter seems more suitable to our
 “ present circumstances, as will afterwards be shewed
 “ more at large.

“ I humbly take leave to offer my opinion, That all
 “ such silver monies as are after enumerated of the
 “ lawful coins of this realm of England, which are
 “ now in being, and are not at all diminished by clip-
 “ ping, rounding, filing, washing, or any other arti-
 “ fice, be raised by public authority to the foot of six
 “ shillings and three pence for the crown, and propor-
 “ tionably for the other species, namely, the crown to
 “ go for seventy-five pence, the half-crown to go for
 “ thirty-seven pence and an halfpenny, and the shilling
 “ for fifteen pence, and the half-shilling for seven
 “ pence halfpenny; and leaving all the other old un-
 “ clipt pieces, as the thirteen-pence halfpenny, the
 “ nine-pence, the groat, two-pence, &c. which are
 “ very few in number, and much worn, to go upon
 “ their present foot, and to find their values in pence,
 “ and parts of a penny, as they do at this day. And
 “ that the new coins to be made, either of the clipt
 “ money, as it shall be brought in, or of any other
 “ sterling silver, be made in their respective weights or
 “ bigness, by the present indenture of the mint, and to
 “ pass as above expressed. And because it may be
 “ convenient to have the denomination of shillings con-
 “ tinued, let there be added one piece, to be called the
 “ shilling,

“ shilling, or twelve-penny piece, to be equal in fine-
 “ nefs, though not in weight, to any standard-money
 “ now in being, to run for twelve-pence sterling (which
 “ will be a fifthpart less in weight than the present
 “ shilling) of these there shall be seventy-seven and an
 “ half in a pound weight Troy, and twenty of them
 “ will make a pound by tale; whereby every pound
 “ weight Troy of the silver monies aforesaid will be
 “ and hold in number and tale, and in the value will
 “ be raised from three pounds two shillings to three
 “ pounds seventeen shillings and six-pence sterling by
 “ the pound Troy: and my reasons for this opinion are
 “ as follows:

“ *First*, The value of the silver in the coin ought to
 “ be raised to the foot of six shillings three pence in
 “ every crown, because the price of standard-silver in
 “ bullion is risen (from divers necessary and unnecessa-
 “ ry causes, producing at length a great scarcity thereof
 “ in England) to six shillings five pence an ounce.
 “ This reason (which I humbly conceive will appear
 “ irrefragable) is grounded chiefly upon a truth so ap-
 “ parent, that it may well be compared to an axiom
 “ even in mathematical reasoning, to wit, *That when-*
 “ *soever the extrinsic value of silver in the coin hath been,*
 “ *or shall be, less than the price of silver in bullion, the*
 “ *coin hath been, and will be, melted down.* Although
 “ the melting down of coin, for private lucre, be done
 “ in secret (because it is punishable by law^c); yet no
 “ man can doubt but that it has been practised for a
 “ long time past, to such a degree upon the weighty

“ c 9 Edw. III. and 17 R. II. prohibited goldsmiths, and
 “ others, to melt down small coins, under pain of forfeiture
 “ of the molten silver.

“ 14 Car. II. prohibited the melting any the silver monies,
 “ under pain of forfeiting the same, and double the value; if
 “ by a freeman, he is to be disfranchised; and if not a free-
 “ man, he is to be imprisoned six months; 6 & 7 W. & M.
 “ makes the conviction of melters more practicable, and in-
 “ flicts six months imprisonment for the offence.

“ money, as that in particular the crowns and half-
 “ crowns of Edward VI. and queen Elizabeth are quite
 “ vanished: those of king James I. are become very
 “ rare: those of king Charles I. (though the most nu-
 “ merous of all that remain) are in a great measure re-
 “ duced, and will appear to be so the more plainly,
 “ when they come to be distinguished from the coun-
 “ terfeits, which are mostly contrived to resemble these:
 “ the crowns, half-crowns, and indeed the lesser coins
 “ of king Charles II. (the far greatest part whereof were
 “ milled money) in all payments at the exchequer, and
 “ other public offices, do not by estimation exceed the
 “ proportion of ten shillings per cent. or a two hun-
 “ dredth part. And if this wicked fact of melting down
 “ has been notoriously committed, at times when there
 “ was no great difference between the value of the sil-
 “ ver in the coin and that in the bullion; or when the
 “ goldsmiths, and other artificers, could make no other
 “ profit thereby than the small over-weight, which (by
 “ weighing and culling the pieces coined at the Tower)
 “ they found to be in some of them, which, being
 “ molten, might be carried back to the mint, and
 “ there re-coined, at the king’s charge, into a greater
 “ number by tale for their own use: Then one may
 “ easily conclude, that the temptation of melting down
 “ is grown of late much more prevalent; since, at this
 “ day, standard silver in bullion is commonly sold at
 “ the said price of six shillings and five pence, or for
 “ seventy-seven pence an ounce. And in regard twenty
 “ pennyweight (equal to an ounce) bears the same pro-
 “ portion to seventy-seven pence, as nineteen penny-
 “ weight and $\frac{3}{10} \frac{5}{10} \frac{4}{10} \frac{8}{10} \frac{3}{10} \frac{8}{10}$ of one pennyweight (equal to
 “ the standard silver contained in a crown piece) doth
 “ to six shillings and two pence halfpenny; it is most
 “ plain, that he that now melts down (for instance) a
 “ crown piece, which, whilst it retains the image and
 “ superscription of his majesty, or either of the late
 “ kings, runs only for five shillings, can immediately
 “ sell the silver of it here for six shillings and two
 “ pence.

“ pence half-penny, and gain the sum of fourteen-
 “ pence halfpenny upon every such melted piece, by
 “ such sale of the silver here; or (by reason of the great
 “ loss which this nation at present suffers in its foreign
 “ exchange or remittances) he may make a greater
 “ profit of the same silver, by exporting it into foreign
 “ parts, if he can effect the same, either by stealth, or
 “ by eluding the late act of parliament, prohibiting
 “ such exportation. One may also foresee, that con-
 “ tinuing the silver monies (either old or new coins)
 “ upon the present foot, whilst bullion is so much
 “ dearer, will inevitably produce consequences pernicious
 “ to the whole; in effect, it will be nothing else
 “ but the furnishing offenders with a species to melt
 “ down, at an extravagant profit, and encouraging not
 “ a necessary, but a violent and exorbitant exportation
 “ of our silver to the foreign parts, for the sake of the
 “ gain only, till we shall have little or none left in the
 “ kingdom. And, upon an impartial consideration of
 “ these matters, we may be able to make a more ma-
 “ ture judgement upon the suggestion that has been
 “ raised by some men; namely, that raising the value
 “ of our coin, or continuing it on the present foot, will
 “ be the same thing. If these gentlemen mean, that
 “ silver in bullion will always be dearer than silver in
 “ coin, because of the necessity to export it to answer
 “ the balance of trade; I answer,

“ That, this necessity may be diminished; but it
 “ cannot, in any sense, be augmented, by raising the
 “ value of our coin.

“ That supposing the worst, to wit, a further ad-
 “ vance of the silver in bullion; yet, even in that case,
 “ the offenders before-mentioned will not find so much
 “ encouragement, or temptation, when their profit,
 “ whatsoever it be, upon every raised crown, must evi-
 “ dently be less by fourteen-pence halfpenny than it is
 “ at present, upon a crown running in payment for five
 “ shillings only.

“ There must be a great difference, with regard to
 “ the service and disservice of the public, between a
 “ necessary exportation of bullion or coin; and such
 “ an exportation thereof as proceeds originally from the
 “ said exorbitant profit of the melters, who being gold-
 “ smiths, refiners, or other traders, and by this means,
 “ and by the clippings, getting great quantities of mol-
 “ ten silver into their hands, know well enough (though
 “ by unlawful or indirect means) to convey the same
 “ beyond sea, either to buy gold there, which is after-
 “ wards brought hither and coined into guineas, passing
 “ at thirty shillings apiece; or to buy prohibited
 “ goods, as lace, lustrings, mullins, divers East-India
 “ goods, or other enumerated commodities, or for other
 “ purposes, which, though unlawful or needless, do all
 “ help or combine, at this time, to augment and in-
 “ crease that balance of trade between us and our
 “ neighbours, very much to our detriment, as will be
 “ shewn hereafter.

“ These gentlemen consider only the use of our coin
 “ in England, as it hath relation to foreign exchanges
 “ or remittances; whereas it serves principally the in-
 “ land commerce, and supplies many other occasions
 “ which will be advantaged by the rise and plenty
 “ thereof. And whereas it is apprehended, that the
 “ proposed advance of the silver in the coin will produce
 “ a proportionable loss in all rents and revenues, pub-
 “ lic or private, settled or ascertained by antecedent re-
 “ servations, grants, or agreements, and in all debts
 “ now standing out upon specialty, or without speci-
 “ alty: I humbly conceive, these apprehensions must
 “ entirely vanish, when it shall be impartially con-
 “ sidered, that every thing having any value or worth
 “ whatsoever, when it becomes scarce, grows dear, or
 “ (which is the same thing) it riseth in price, and con-
 “ sequently it will serve to pay more debt, or it will
 “ buy greater quantities of other goods of value, or in
 “ any thing else it will go further than it did before:
 “ That silver in England being grown scarce, as afore-
 “ said,

“ said, is consequently grown dearer : That it is risen
 “ in price from five shillings and two pence, to six
 “ shillings and five pence an ounce ; and, by daily ex-
 “ perience, nineteen pennyweight and three tenths of
 “ a pennyweight in sterling silver (equal to the weight
 “ of a crown piece) in England, doth and will pur-
 “ chase more coined money than five shillings by tale
 “ (though the latter be delivered *bona fide* in unclipt
 “ shillings, or in a good bill) ; and consequently doth
 “ and will purchase and acquire more goods or neces-
 “ saries, or pay more debts in England, or (being de-
 “ livered here) it fetches more money in any foreign
 “ parts by way of exchange, than five shillings by
 “ tale, or the sixth part of a guinea by tale, or goods
 “ to the value of five shillings, in tale only, do or can
 “ fetch, purchase, or acquire : That this advanced
 “ price of the silver has been growing for some time,
 “ and is originally caused by the balance, excess, or
 “ difference above-mentioned, which naturally and
 “ rationally produces such an effect ; and there is no
 “ reason to expect, that silver will decline in its price
 “ or value here, till it be made more plentiful, by
 “ turning the balance of trade to our advantage ; That
 “ the raising the value of the silver in our coins, to
 “ make it equal to silver in mass, can in no sense be
 “ understood to be a cause of making silver scarce :
 “ That there can never be proposed any just or reason-
 “ able foot upon which the coins should be current,
 “ save only the very price of the silver thereof, in case
 “ it be molten in the same place where the coins are
 “ made current, or an extrinsic denomination very
 “ near that price ; it being most evident, that if the
 “ value of the silver in the coins should (by any extrin-
 “ sic denomination) be raised above the value, or mar-
 “ ket-price of the same silver, reduced to bullion, the
 “ subject would be proportionably injured and defraud-
 “ ed, as they were formerly in the case of the base
 “ monies coined by public authority ; but if the value
 “ of the silver in the coins be less than the value or
 “ market-

“ market-price of the same silver reduced to bullion,
 “ then the coins are always melted down for lucre, as
 “ they have been, and are at this day, in the case of the
 “ unclipt monies; and as they will certainly be, in case
 “ of any new coins that shall be made, to be current
 “ upon the old foot of sixty pence for the silver of a
 “ crown-piece, which sufficiently proves, that the
 “ medium proposed is the true foundation for the course
 “ of our monies: That for this purpose we need only
 “ to consider the very price that silver bears in Eng-
 “ land, where these coins are to be current; although
 “ if we will have relation to neighbouring countries,
 “ particularly to Holland, we shall find that the current
 “ price of an ounce of silver there, adding thereunto
 “ the difference of exchange from London to Amster-
 “ dam or Rotterdam (which difference in the exchange,
 “ is but another effect of the balance of trade, before-
 “ mentioned) will still make up the price of six shil-
 “ lings and five pence for the ounce of silver at Lon-
 “ don; and if this were not so, your Lordships might
 “ be sure, that nobody would buy silver at London for
 “ six shillings and five-pence an ounce, carry it to
 “ Holland, and sell it there perhaps for five shillings
 “ and five pence an ounce, or for so much in their
 “ coins, the silver whereof is not equal to five shillings
 “ and five pence by our standard: That it ought not
 “ to be alledged, that silver has no price; for every
 “ indenture of the mint (having first ascertained the
 “ extrinsic denomination of the current coins) has ta-
 “ ken care also to determine the price or value of the
 “ silver to the merchant or importer, which was to be
 “ answered in those extrinsic denominations; and daily
 “ experience shews every man, in buying or selling of
 “ silver, that it has a price or value still reckoned in
 “ those extrinsic denominations, although at present it
 “ much exceeds, as aforesaid, the said rate of sixty-two
 “ shillings for a pound Troy: That five shillings
 “ coined upon the foot hereby proposed, will actually
 “ contain more real and intrinsic value of silver, by a
 “ great

“ great deal, than is in the current monies now com-
 “ monly applied to the payment of the said rents, re-
 “ venues, and debts, upon which the imaginary loss is
 “ apprehended; and in reason will, and ought to go
 “ further, to all intents and purposes, than five shillings
 “ in clipt monies, or in the sixth part of a guinea, doth
 “ or can go: And lastly, that as the foot or foundation
 “ hereby proposed, for the course of the monies, will
 “ be just and reasonable, with regard to the price of
 “ silver, and more advantageous to the receivers thereof,
 “ than payment in clipt monies, or gold, at the present
 “ price; so every person that shall receive any money
 “ coined or made current upon this new foot, will have
 “ the payment, issuing, and expenditure thereof, at the
 “ same rate. And it is freely submitted to impartial
 “ judgements, whether the proposed advance of silver
 “ in the coins can infer a real loss upon any persons,
 “ other than such as can propose to themselves particu-
 “ larly the receipt of monies in weighty or unclipt
 “ pieces only, and the conversion thereof to an advan-
 “ tage which law or reason would not allow them.

“ *Secondly,* The value of the silver in the coin ought
 “ to be raised, to encourage the bringing of bullion to
 “ the mint to be coined. It is a matter of fact well
 “ known to your Lordships, and (by the small number
 “ of the pieces of the present king, or of his majesty
 “ and the deceased queen) it is perceivable by every
 “ body else, that, since bullion hath borne a greater
 “ price than silver in the coin, there has been none
 “ brought to the mint to be coined, either by impor-
 “ ters or others, unless some small parcels that were
 “ seized, or sent thither by public authority. And it
 “ is utterly against reason for any man to think, that
 “ any bullion of silver will be carried thither voluntarily
 “ to be coined, till the value of silver coined be raised,
 “ at least as high as the value of silver in bullion. By
 “ the proposed advance to six shillings and three pence,
 “ the sterling silver in the coins will be set at six shil-
 “ lings and five pence halfpenny per ounce; which will
 “ exceed

“ exceed the present price of sterling in bullion by one
 “ halfpenny per ounce, and give (though by a small
 “ profit) an encouragement to those that have English
 “ silver or plate, and particularly to the retailers of
 “ wine, beer, ale, and other liquors, (whose tankards
 “ and other vessels are herein after proposed to be
 “ brought in) and generally to all those that have, or
 “ can have, silver imported, to carry the same to the
 “ mint to be coined. And this will be agreeable to
 “ the policy that in past ages (as hath been observed
 “ upon the aforesaid deduction) hath been practised, not
 “ only in our mint, but in the mints of all politic
 “ governments, namely, to raise the value of silver in
 “ the coin, to promote the work of the mint.

“ *Thirdly,* The raising the value of the silver in the
 “ coin, will increase the whole specie in tale, and
 “ thereby make it more commensurate to the general
 “ need thereof, for carrying on the common traffic and
 “ commerce of the nation, and to answer the payments
 “ on the numerous contracts, securities, and other daily
 “ occasions, requiring a larger supply of money for
 “ that purpose. This reason may be farther illustrated
 “ by considering, that the want of a sufficient stock of
 “ money hath been the chief cause of introducing so
 “ much paper-credit (which is at best hazardous, and
 “ may be carried too far) and the setting up of offices,
 “ both in city and country, for bartering of goods or
 “ permutations.

“ *Fourthly,* The silver in the old unclipt monies, and
 “ in the new coins now proposed to be made, ought to
 “ be raised (as I have offered) equally, to avoid confu-
 “ sion and uncertainty in payments: for if pieces, hav-
 “ ing the same bignets, should have different values, it
 “ might be difficult for the common people (especially
 “ those not skilled in arithmetic) to compute how
 “ many of one kind will be equal to the sum of ano-
 “ ther: and there might be some dispute about the
 “ lawful money of England, to be paid upon mort-
 “ gages,

gages, bonds, contracts, or other legal securities referring thereunto.

Fifthly, By this project, all computations in pounds, shillings, and pence, used in accounts; and the reckonings by pounds, marks, half-marks, shillings, and pence, practised in the law of England, and in the records, contracts, and other instruments relating thereunto, will be preserved as they ought to be.

Sixthly, By this method, the bringing in of the present unclipt coins, to be cut into lesser pieces, are rendered needless; which species being at present (for the most part) hoarded, will, upon raising their value, come forth, and go a great way towards supplying the commerce and other occasions, whilst the new monies are making. And I think it will be granted, to be utterly impossible to recoin the clipt monies, if, at the same time, the unclipt shall be brought in to be new cut; or if the unclipt pieces should not (by such an encouragement) be brought forth to supply the commerce, pay taxes, and serve other occasions in the mean time.

Seventhly, It is difficult to conceive, how any design of amending the clipt monies can be compassed, without raising the value of the silver remaining in them, because of the great deficiency of the silver clipt away; which, upon recoinage, must necessarily be defrayed or borne one way or other.

Eighthly, As our unclipt monies, and the new coins here proposed to be made, will, by the former proposition, retain the ancient sterling, or old right standard of the mint, for fineness and purity (the alteration of which could never be justified by any necessity;) so by this proposition they will both continue the present standard of the mint in the weight or bigness of the respective pieces, without being cut into less, as they have formerly been, the new shilling only excepted. These propositions, indeed, dealing with nothing but the very value of the silver in the coins, to make it equal to the current price of our own bullion or silver in mass, with a very little excess, to wit, of an half-penny

“ penny in an ounce, to encourage the coinage, and
 “ thereby to cure such mischiefs relating to our coin as
 “ are not to be paralleled in the records of former ages:
 “ which raised values may be lowered again by the
 “ wisdom and authority of parliament, when the wealth
 “ of the nation shall (by God’s blessing) be re-estab-
 “ lished without trouble or charge of re-coining or cut-
 “ ting the silver pieces into other sizes.



By perusing the foregoing extracts, the reader will have the consolation, to find that the price of silver bullion at present is only about one fifth so much above mint-price as it was in king William’s time; for then it was fifteen pence, and now only about three pence; however, this three pence, we find (by the foregoing tables) has prevented our coining any considerable quantity of new silver money for these last twenty years; and we also daily find great inconvenience for want of new coin.

As Mr. Lowmides’s Report was compiled from the best materials he could sort out from the many propositions that were laid before the treasury-board at that time, and as it was supported by the precedents of former ages, under the like circumstances, the above measure proposed by him would
most

most probably have been adopted, had not Mr. Locke published his disapprobation thereof; but his great reputation, joined to the strength of his arguments, occasioned Mr. Lowndes's plan to be dropt, and a new coinage carried on upon the old standard, as Mr. Locke had recommended, though at a very great expence to government.

In his answer to Mr. Lowndes's reason for raising our coin, by making it *more in tale; that it would make it more commensurate to the general need thereof, and thereby hinder the increase of hazardous paper credit, and the inconveniences of bartering,* he says :

“ Just as the boy cut his leather into
 “ five quarters (as he called them) to cover
 “ his ball, when cut into four quarters it
 “ fell short.—If the quantity of coined
 “ silver employed in England fall short,
 “ the arbitrary denomination of a greater
 “ number of pence given to the several
 “ pieces of it, will not make it commensurate to the size of our trade, or the
 “ greatness of our occasions.” He further says :

“ That

“That sterling silver, compared with
 “sterling silver, being always of equal
 “value, quantity for quantity, can have
 “no variation in price between one piece
 “and another, whatever shape it may
 “appear in; but under these two cir-
 “cumstances, *viz.* wrought plate is dear-
 “er than *unwrought plate, bullion, or coin,*
 “by so much as the value of the work-
 “manship is estimated at. *Coin* is of less
 “value than *bullion*, by one per cent. ac-
 “cording to estimate, because it is not
 “exportable consistent with law. There-
 “fore, he asserts (excepting the above
 “difference of one per cent) that the mill
 “and the press of the mint cannot have
 “the magical power of transforming a
 “piece of silver into a greater or less va-
 “lue than it is intrinsically worth.”

To point out, and give full force, to the
 general scope of Mr. Locke's arguments,
 (which are rather voluminous, being in
 three distinct publications) as concisely as
 possible, will be my intent in the ensuing
 chapters, in this part of my enquiry; and
 afterwards shall submit some general obser-
 vations that have occurred to me, relative
 to the principles he has laid down.

CHAP.

C H A P. II.

The Basis of Exchanges considered, in order to illustrate Mr. Locke's Arguments against the Proposition of Mr. Lowndes.

WHEN we view Mr. Locke tracing, with such accuracy, the dark paths of abstracted philosophy, we wonder and admire the comprehensiveness of his mind: in this light he very justly deserves that deference which mankind pay to his judgement; but practical knowledge comes not by intuition, nor is acquired by meer study, without experience; and perhaps Mr. Locke, in money-matters, was not so well skilled as many others, and might be liable to err: therefore it may not be deemed improper for the present age to examine the validity of the arguments he

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made use of to establish, or rather to continue perpetually, the present standard of money.

I beg leave to make a few remarks on the origin and basis of exchanges, that the scope and tendency of Mr. Locke's reasoning may the more fully appear.

And, in order to elucidate the basis of exchanges, I will endeavour to explain my idea of the origin of trade.

The manner of carrying on trade to foreign countries, in former ages, was extremely simple: A merchant freighted his ship with goods proper for the destined port, and acted himself as supercargo; and bartered them on arrival for goods proper for his own country; and whatever difference or balance there might be between the value of goods delivered and those received in barter, was immediately paid in coin or bullion. Thus the whole transaction of the voyage was finally liquidated.

But the refinements of modern times have made commerce much more complicated. For now a merchant, instead of going abroad himself, consigns his goods
to

to a correspondent. This correspondent, in like manner, consigns him goods to sell. The goods sent on both sides being sold in different countries, are, of course, sold for money of different denominations and value: for example, A. the Englishman, has sold the goods sent him by B. the Dutchman, for 100 *l.* sterling, or 2000 shillings.

B. the Dutchman, has sold the goods sent him from hence for 4000 skillings Dutch.

Now, by an assay of the English shilling and the Dutch skilling, their intrinsic value is found to be as 20 to 36; that is, 20 shillings are intrinsically worth 36 Dutch skillings^d; and this assay of the intrinsic value of the coins of the respective nations is the *true basis to fix the price of exchange* between one country and another: therefore, according to this calculation of the price of exchange, B. the Dutchman owes

^d I might explain here the *aggio*, or difference between bank-money and current-money in foreign countries; but the present subject does not seem to require it.

A. the Englishman a balance of 400 Dutch skillings.

If A. wants no more goods from Holland, this balance is to be sent home; which may be done by either coin or bullion: this doubtless was formerly the method, before bills of exchange became frequent; as it was the most natural way of settling such an account. But modern refinements have made the settlement more commodious.

B. the Dutchman finds C. another merchant in Holland, to whom an equal sum is owing from D. a merchant in England.

B. therefore pays the above balance of 400 skillings to C. on condition that C. gives him a letter, or bill of exchange, to D. requiring him to pay the like value in pounds sterling to A. calculated at the abovementioned price of exchange.

Thus not only the balance due to individuals is transferred from one to another, by means of these bills of exchange; but also the balance due from one nation is transferred to another nation, to prevent
an

an unnecessary importation and exportation of bullion backwards and forwards.

This transferring of debts from one person or nation to another may be carried on with great facility, while the value of the exports and imports between the nations concerned therein are equal: in this case there is no favour to any one; for it is a reciprocal benefit to all; and the coins of each nation are rated in exchanges, according to their real intrinsic value as bullion; and then exchanges are said to be *at par*.

But, should any of the nations concerned in this commercial intercourse receive goods to a greater value than they send away, there will still remain a balance to be paid; which, in the common course of trade, cannot be done by bills of exchange: but, as individuals who have connexions abroad may prefer the transmitting their balances due to other countries by bills, rather than sending bullion or coin; so, though the balance of trade be ever so much against the country they reside in, yet they may always get bills to remit to any trading country whatsoever.

And this convenience is furnished by a certain trade, established in every commercial city, carried on by monied people, who have established a general credit in the trading world, and are called, Dealers in Exchanges; who, from their extensive connexions, are able to transfer the balance from one nation to another; and, if necessary, will send over bullion or coin to any part of the world; so that they are always ready to give their bills, or take your bills, on any country whatsoever.

But as they will have a profit to induce them to carry on this trade; this profit must be answered from the general commercial transactions; and the loss will ultimately fall upon the nation whose balance of trade is in their disfavour; and this loss they sustain by a deduction from the intrinsic value of their coin, compared with the coin of the other nations to whom they are indebted. For instance,

Though 20 shillings English are intrinsically worth 36 Dutch skillings; yet, supposing the balance to be against us in respect to Holland, the 20 shillings in all
bills

bills of exchange upon Holland shall be deemed worth no more than 34 Dutch skillings; and this deduction of two skillings, from the real value, is called *the loss upon exchange*, being two skillings *below par* in favour of Holland.

I do not mean to say, that all this profit falls into the hands of these dealers in exchanges; for it is a profit arising to the country of Holland in general, upon every transaction in trade we have with them. When the price of exchange is fixed, it is not only the surplus, or balance, to be paid, is obliged to bear this deduction, but every monied transaction carried on between the two nations. Hence arises a duplicate advantage, from the balance of trade being in favour of a nation.

I may have trespassed on the patience of the reader, by dwelling so long on a subject which perhaps he may be better acquainted with than I am. All that I mean to shew is, my idea of the *basis of exchanges*, which I apprehend to be *the intrinsic value of the coins of one nation, compared with those of another nation*; and

when it varies from that just par, the variation arises, as I have before attempted to shew, from accidental causes. And in the future discussion of the subject of coinage, there may be occasion to recur to these first principles.

C H A P. III.

*Arguments on Mr. Locke's Principles
against altering the Standard, in
respect to foreign Exchanges.*

IF the intrinsic value of the coins of each nation be the basis, or true par, of exchanges; then, in case the pound sterling was reduced in value, for instance, five per cent.; our exchanges with all foreign nations would fall to our prejudice, in proportion as the pound sterling was diminished in intrinsic value.

Therefore the then nominal pound sterling would not purchase so much of any foreign commodity as the present pound sterling, by so much as the intrinsic value is diminished. And this seem to be an argument against the supposition, that, though our money was lessened in intrinsic value, it would purchase

purchase as much of any other commodity as the present standard-coin; at least, it must be allowed, that it would not purchase so much of any foreign commodity.

But if, upon examination, we should find that diminishing the coin would remedy the present scarcity of silver money, by enabling the mint, in future, to carry on a coinage without loss; and that it would not be attended with any inconveniences to our inland trade: the matter of exchanges, perhaps, should not prevent the measure from being carried into execution.

For our national coin, as that of all other countries, was originally intended for the convenience of inland trade; and in the establishment of the weight or fineness of the standard-money, no regard ever was, or ought to be paid, to its comparative value with the coins of other countries; for be it larger or smaller, baser or finer, than it is at present, it is just the same thing with regard to our foreign trade; with this difference only, that, if they are smaller or baser, more will be required

quired to pay the balances ; and if larger or finer, fewer will be required : for it has been already laid down, that merchants pay no regard to the value of coin, but what it is worth as bullion. Therefore, in a national view, if we are to send a certain number of ounces of sterling silver abroad, it is of no consequence, whether they be in pieces worth eleven pence half-penny, or one shilling apiece ; for the intrinsic quantity of silver sent away will be exactly the same in both cases.

For though it shall appear, that we pay a greater number of nominal pounds for foreign goods, by five per cent. than at present ; yet we shall not pay intrinsically a greater *quantity* of metal, although a greater *number* of coins, than we do at present.

For if we actually paid more for foreign goods by such an alteration, foreigners, by the same rule, would pay us more for all the goods sent from hence ; as they would be charged *nominally* higher by five per cent. If so, provided the balance be in our favour, we should be actual gainers by the difference on the balance.

And

And in order to illustrate this matter, I beg leave to draw out the following calculations; by which it will appear, that the prices of the goods imported here, and those exported from hence, and the annual balance, would be intrinsically the same, though nominally different.

Calculation

Calculation on the present Standard of Money.

We will suppose, that we export goods annually, which we charge foreigners 21,000,000 £.

We import goods, for which foreigners charge us 20,000,000 £ sterling; and if calculated at 36 skillings the pound sterling, would be 720,000,000 Dutch skillings.

The balance, in that case, is 1,000,000 sterling, or 36,000,000 Dutch skillings, in our favour.

Calculation of the same Transaction, on a Supposition that the Standard-value of our Coin was diminished five per cent.

We export annually the same goods; for which we charge foreigners five per cent more than we used to do, on account of the alteration of the standard, that is, 22,050,000 £.

We import the same goods; for which foreigners continue to charge us, reckoning, in their own money, exactly the same as they did formerly; that is, 720,000,000 Dutch skillings; which, before the alteration of the standard, was worth but 20,000,000 £ sterling; but our standard being now diminished in value five per cent. the English merchant will estimate it at 21,000,000 £ sterling.

Therefore,

Therefore, though the balance, reckoning in our money, will be nominally 1,050,000 *l.* or 50,000 *l.* more than it used to be, yet they will have no more to pay us than 36,000,000 of Dutch skillings, as they did before the alteration happened; and of course, though the nominal appearance of the balance in our books at home will be five per cent. more than formerly, yet intrinsically, when remitted to England, it will produce no more actual gold or silver than before the alteration of the standard took place.

In order to explain this matter even more fully, to those who are not conversant in trade, let me take the supposition from a single transaction.

An Englishman sends the Dutchman a yard of cloth, for which he charges him 20 shillings.

The Dutchman considers that it cost him in England 20 shillings, which is equal to 36 Dutch skillings; and, in order to have a reasonable profit upon it, he must sell it for 40 Dutch skillings; and this 40 Dutch skillings is the price to the consumer in Holland.

But,

Upon the alteration of standard, five per cent. below its present value, this yard of cloth will be charged to the Dutchman 21 shillings.

Yet, as the exchange is risen in the favour of Holland, equal to the alteration; the 21 shillings charged in England is still no more than 36 Dutch skillings; therefore his price and profits are the same as before.

Hence

Hence it will appear, that all goods sent from hence to foreign countries, will be charged at a proportional nominal higher value in English money than now, though the foreigner will pay in his own money exactly the same.

Again,

The Dutchman sends the Englishman spices to the amount of 36 Dutch skillings.

The Englishman finding that these spices cost him 36 Dutch skillings, which are equal to 20 shillings sterling, he calculates his reasonable profits, and sells them for 22 shillings. But if there was an alteration of the standard of money five per cent. the 36 Dutch skillings would be equal to 21 shillings English; therefore, to secure his reasonable profit, he must then sell them for at least 23 shillings sterling.

From this calculation it will appear, that all foreign goods must rise in England in proportion as the standard is decreased in value; yet it will not occasion any actual loss or gain to the nation in our commerce with foreigners.

C H A P. IV.

What Effect diminishing the Standard might have on Inland Concerns; on the Principle of Mr. Locke.

THE consequences of diminishing the intrinsic value of our standard-coin, in respect to every monied transaction at home, now remains to be considered; and which perhaps is the only object we ought ultimately to have in view in this speculation: therefore I propose considering this subject upon the principles of Mr. Locke.

It has been made appear, that, immediately upon a diminution of the standard five per cent. 20 shillings will then be worth, or purchase, no more of any foreign commodity, than nineteen shillings

lings does now; and I think it must be also equally conclusive, that, as soon as we find this material difference in respect to all foreign commodities, our inland commodities will rise *in the same proportion*, especially as it has been shewn, that all exporters of English goods could afford to give five per cent. more for them, without making the foreigners pay more than they do at present.

Therefore if the intrinsic value of the pound sterling should be lessened one shilling; all previous obligations and agreements (which were made on a supposition that the pound sterling would be intrinsically worth, for ever, the same it was when the agreement was made) would be violated, to the receivers loss of five per cent. on all such obligations or agreements; which could not but create, not only confusion, but real injury, to a great part of the nation.

But in order to guard against the ill consequences above-mentioned, we will suppose, that in the act which authorized a diminution of the standard, clauses were

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inserted,

inserted, that every person who had, before the act took place, entered into any obligation for the payment of any sum of money, should be bound for five per cent. more than the sum specified in the said obligation: This might be a means of indemnifying all persons from losses, on account of the alteration: Wherein should be comprehended, taxes, duties, customs, excise, &c. payable to government; rents, mortgages, annuities, bonds, contracts, agreements, notes, book-debts, &c. payable to individuals. And as it is more than probable, that all merchants, tradesmen, manufacturers, and labourers, would find means to increase their nominal profits, equal to the alteration of the value of money hereby made; so another clause might be inserted, that all officers and people in the army and navy, or in civil employments, should have a proportional increase of salary; and when we consider the public revenues would be nominally increased, government would be amply provided for such an additional nominal expence. And moreover, all
compa-

companies, bodies corporate, and individuals, might provide for their servants in like manner. With regard to the public funds, which by this alteration would become of five per cent. less value than they are at present; in order to indemnify the proprietors, it might be proposed, That the price of stock might be taken at the time the measure was adopted; and to make a calculation what five per cent. of its then value would amount to; which sum government would be considered as indebted to the proprietors, over and above the nominal debt. Now in order that the public faith might be kept inviolate; it might be proposed, that this sum should be turned into annuities on lives, at per cent. and each proprietor to have his advantage thereof, in proportion to the stock he might then hold; or any other mode of indemnity that might be thought proper.

If we were to indulge this thought, it might perhaps open a plan for decreasing the national debt, in a course of years, upwards of five millions sterling: but I am

not now considering how the national debt may be lessened ; but how to create a greater plenty of silver money. And upon reflection, it unfortunately occurs to me, that, after having taken so much pains to make the above-mentioned equitable regulations, to secure property, and guard against every injury that might happen by the proposed alteration, we should most undoubtedly find ourselves, in a few years, in as bad a situation, in respect to our silver coins, as we are at present.

For I think it has been already proved, beyond contradiction, that the decrease of the value of the standard-money, would keep pace, and bear a proportion, in the purchase of *every article*, to the diminution of its intrinsic value : therefore we should find, that bullion, or uncoined silver, would rise in price with the rest of the articles of life ; especially as that is a foreign article, and more immediately depends upon the price of exchange than any other article whatever.

Hence it appears, that our standard-money is neither of more nor less value
than

than it ought to be. If it had originally been made of more or less value than it is at present, we ought to abide by it, for the same reason that we ought to abide by the present, because we can reap no real benefit whatsoever from an alteration; for it would be only hunting a shadow that would always keep before us, and which we should never overtake.

C H A P. V.

*Causes of the high Price of Bullion,
according to the Principles of
Mr. Locke.*

THE mint has not coined any silver money during his present Majesty's reign (and not much during the latter end of the reign of his late majesty) unless pennies, two-pences, three-pences, and groats, every year, on account of the Maundy-money; and a small quantity coined by the duke of Northumberland, when he went Lord Lieutenant to Ireland, in order to give away as presents.

From this cause, and the great trade that has been carried on in melting and exporting the good silver coins, our present silver money is in general worn, clipt, or counterfeited; so that there is very little of it equal to standard-value. I
have

have been informed, by those who have frequently weighed and assayed them, that the shillings, in general, want one penny, at least, of full weight.

It must also be allowed, that all dealers in bullion look upon the coin, in exchanges thereof for bullion, only as of so much value as it is worth if melted down.

We will then suppose, for the sake of argument, that our present current shillings are *one halfpenny* deficient, or below standard-value.

Hence it may be inferred, that five shillings and five pence of such of our silver money, as we are now able to obtain in all monied transactions, will buy as much silver bullion as they are intrinsically worth; that is, five shillings and five pence of our present silver money is not of more intrinsic value, if melted down, than an ounce of uncoined silver; although, if it was new, and equal to standard, five shillings and two pence would be equal to an ounce.

Therefore the magic art does not lie in the mill and the press of the mint; but in the tooth of time, and the ingenious knavery of clippers and coiners.

But it may be said, that though there are very few of the present current shillings equal to standard; yet undoubtedly there are some; and every one takes it for granted, in all receipts and payments, that they *are all so* while they are current.

In answer to that, I appeal to every candid gold or silversmith, dealer, melter, or exporter of silver bullion; whether, to his knowledge, he has of late years paid away one crown, halfcrown, shilling, &c. that was equal to standard, in his purchases of bullion. It is a solecism to suppose he has, unless through inattention; for no man in his senses will give a greater quantity of a material for a less quantity of the same, both being of equal goodness,

It is a well-known fact, that for many years past, as the coin began to decline in goodness, by wear or otherwise; and of course, when the silver began to rise in price; there have been people employed in collecting silver money, and separating those which were of full weight, from those which were under weight. The former they threw into the melting pot, or exported; and the latter, being still current,
served

OF THE BRITISH COINAGE. 89

ferred them to buy bullion with. And this sorting trade they have carried on so long, that, the good standard silver money we find to be very nearly all sorted away.

Therefore, though every current piece of silver money is supposed, in bargains in general, to be equal to standard; yet, in respect to the dealings in bullion, that supposition will not be allowed: for if the dealers did not consider the actual weight and value of the silver coin they received in payment for their bullion, they might probably be intrinsically losers, instead of gainers, by the exchange of uncoined for coined silver: but it hath been before observed, they will, at least, insist upon quantity for quantity, and fineness for fineness, to indemnify themselves.

Upon this principle, silver money does not, notwithstanding the appearances to the contrary, lose any of its value by being transformed into coin; unless one penny per ounce: and the cause of this difference has been set forth.

Let the quantity of bullion in this country be ever so great; it can never fall below mint-price, or the intrinsic value of the
standard.

standard-coins ; while the expences of coinage are defrayed by the public, and the mint open to all who chuse to send bullion thither for that purpose ; for, as they can receive back the same in money, free of all deductions, no one would sell his silver bullion for fewer shillings than he could make of it if coined at the mint ^e.

^e Mr. Locke says, “ The reason of so much money
 “ coined in queen Elizabeth’s time, and afterwards, was
 “ not the lessening of the crown-pieces from 480 to 462
 “ grains, and so proportionably all the rest of your mo-
 “ ney ; but from the over-balance of your trade, bring-
 “ ing them in plenty of bullion, and keeping it here.”
 N. B. Silver was at four shillings and ten pence an
 ounce at that time ; but then it is to be observed, that
 the Seignorage of the mint was held by the Queen, and
 nobody could coin at that time but her Majesty.

CHAP.

C H A P. VI.

*Mr. Locke's Arguments continued,
shewing the Necessity of a new Coin-
age of Silver-Money on the old Stan-
dard, in order to lower the Price of
Bullion,*

UPON the foregoing principle, if the present bad silver money was called in, and new money coined according to the present mint-standard; silver bullion would fall to five shillings and three pence, that is, one penny above mint-price; and it has been demonstrated that it can never be lower, while the melting or exporting of coin is deemed illegal; and it would remain at that price till a considerable quantity of clipt, worn, and counterfeit money was introduced again. In which case, I suppose, we should be in the same situation we are at present, with the appearance of silver bullion having risen; when,

when, in fact, it only shews the bad state of the current-coin : and this seems plainly to appear from the following considerations.

Five shillings and five pence of the present silver coins now current, are not intrinsically worth above an ounce of uncoined silver; therefore they ought to purchase no more.

If, upon a new coinage, we were to diminish the standard two pence in the crown-piece, it can by no means lessen the price of bullion; for silversmiths will weigh the new money, and know how many pieces go to the ounce; and will govern their price of bullion accordingly.

They would find, that five shillings and four pence of the new money weighed an ounce; therefore it is intrinsically worth no more than an ounce of bullion; and allowing for the difference of one penny per ounce abovementioned, the price of silver bullion would then be five shillings and five pence per ounce.

But, if we should coin afresh upon the old standard, the silversmiths know that five shillings and two pence of this new money would be intrinsically worth an
ounce