Mushet, Robert, 1782-1828

An enquiry into the effects produced on the national currency and rates of exchange, by the Bank Restriction Bill, explaining the cause of the high price of bullion, with plans for maintaining the national coins in a state of uniformity and perfection / by Robert Mushet.

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AN

ENQUIRY

INTO THE

EFFECTS PRODUCED

ON THE

NATIONAL CURRENCY

AND

RATES OF EXCHANGE,

BY THE

BANK RESTRICTION BILL;

EXPLAINING THE CAUSE

OF THE

HIGH PRICE OF BULLION;

WITH PLANS FOR MAINTAINING

THE NATIONAL COINS

IN A STATE OF UNIFORMITY AND PERFECTION.

THE SECOND EDITION.

With some Observations on Country Banks, and on Mr. Grenfell's Examination of the Tables of Exchange annexed to the first Edition.

By ROBERT MUSHET,

OF HIS MAJESTY'S MINT.

London:

PRINTED BY AND FOR C. AND R. BALDWIN, NEW BRIDGE-STREET.

1810.

Price 4*s.*

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AN ENQUIRY,

&c. &c.

CHAPTER I.

On the General Principles of Money.

The complexity attendant on the study of money is not inherent in the subject, but has arisen, as Sir James Stewart remarks, (Book III. Chap. vi.) from the defective information of those who have treated of it. They have been chiefly practical men, whose habits have led them to a view of the money system, in particular stages only, without affording them a comprehensive survey of its origin and progress. They have consequently perplexed themselves, and obscured the study, by a multiplicity of technical words, as well as by theories formed on contracted notions.

The debasements of coin also, to which almost all governments have resorted, have led to a perversion of words from their original meaning, and have created in our money dialect, an apparent contradiction, which forms no small impediment to an accurate comprehension of the subject.

In order to attain an accurate and distinct notion of the theory of money, it will be necessary to take a view of its origin, and progressive advancement to that state in which it is found in all civilized countries.

In some very simple states of society men are without the use of money; wealth is a name unknown among them; their wants are little more than the suggestions of nature, and these wants are easily supplied. In such states of society, all traffic must be carried on by barter alone. Great inconvenience must have attended the first operations of such a system, from the difficulty of proportioning payments to the commodity purchased. If a man, says a writer in the Edinburgh Review,* wishes to purchase a hatchet, but has only a sheep to dispose of, which is worth six hatchets, he knows not how

* Edinburgh Review, vol. 13. p. 47. It is, indeed, requisite to state, that the whole of this chapter is principally taken from the article in that work to which the reference above is made.

to accomplish his purpose. The man who has the hatchet to sell, wants not to purchase a sheep, but a cloak; while the man who has the cloak to dispose of has no occasion for a hatchet, but for some other commodity. In such circumstances it becomes a matter of expediency for every man to provide himself, if possible, with more or less of that commodity which most people will be willing to purchase, and with which he can most readily command the various articles for which he may have occasion.

In some states of society this commodity is cattle. "The armour of Diomede," says Homer, "cost only nine oxen; but that of Glaucus cost an hundred." In some parts of the coast of India, shells are said to be the medium of exchange, and on the sea coast of Africa iron at present is made use of for that purpose.

But in the progress of society towards civilization, the inconvenience of such traffic was severely felt; and no doubt, after various trials of other commodities, the course of affairs led to the use of the precious metals, as the commodity for which most people would be willing to exchange the articles of which they had to dispose. Gold and silver, therefore, are the commodities which every man at last purchases with the articles which he has to dispose of, knowing that he can most conveniently exchange

them again in such proportions as he pleases, for the other goods that he may want.

When the precious metals were first used, they were in the rude and unfashioned state of bars, and were bought and sold, in the different exchanges, by weight, like any other commodity.

In time, however, it was found, that these metals might be adulterated, and the means of detection were not very obvious or easy. An expedient is devised. The governors of the community agree to fix a mark upon certain pieces of those metals which they have *proved*, and the people will not receive any pieces, but those on which that mark is found. These pieces accordingly—these bars or ingots, they purchase with the goods they have to sell, and offer these bars again in sale for such goods as they wish to purchase. Still, however, considerable inconvenience exists. Those bars have often to be divided, and always to be weighed; and this is very troublesome. The government again extends its services. It agrees to fix a mark which shall indicate both the fineness of the metal, and its weight; and to fix it on such pieces of various weights, as shall most effectually answer all the conveniences of purchasers.

This is now the coined money of civilized society; and it will appear abundantly evident, that there is nothing in all this which alters the

nature of the metal, so coined, from that of a commodity. If it were a commodity bought and sold for its mere value, when it was rude bullion, it surely cannot be any thing else for the stamp, which is only intended to declare its quantity and quality.*

From this it will follow, that gold and silver are commodities, whose values are determined, like that of all other commodities, by the demand for them ; and that gold and silver, in coin, are nothing more or less than bullion in such convenient shapes as to facilitate all exchanges in civilized society.

Had a pound in silver coin remained equivalent to a pound weight of silver, our ancestors would not have been perplexed with the difference between mint and market price; nor the country subjected to the heavy expense of coinage, necessitated by their misapprehensions.

* Consistently with this principle, the denominations of coin in this, as well as in other countries, were denominations of weight ; a penny being originally (Reign of Edward I.) a pennyweight of silver ; a pound, a pound weight of silver ; and a shilling, a weight making the twentieth part of a pound.— Now, it will appear evident that, when an individual goes to market to purchase the commodity that he wants, he exchanges a given quantity of pennyweights of silver of an ascertained purity, as the equivalent of that commodity. It is an exchange of value for value.

CHAPTER II.

On the Connection between coined and paper Money.

Having seen that coins are commodities, which are bought and sold in the market for their value, like other commodities—it will follow, that Bank notes are an obligation upon the issuers to pay a certain quantity of those coins, or commodities; and these obligations are also bought and sold for their value, or that quantity of coin which they specify. Nothing can be more simple than this; nor can it be conceived possible that a community would take in payment notes of Bankers which possess no intrinsic value, if they were not payable in something that possessed value to the amount expressed in the body of the note. With us the notes of Bankers are payable in gold or silver. Hence every individual in the community accepts of such notes, upon the faith of their receiving on demand a certain quantity of gold or silver, as therein specified.

Another, and a very different species of

paper money consists of notes, like the French assignats, forced into circulation by the authority of government, and containing no obligation on the issuer to pay in coin. The value of this kind of paper money is of course very doubtful; while the value of the former can undergo no diminution, so long as the obligation to pay in coin continues to be fulfilled.

In this country we are, happily, but little acquainted with such government paper.

CHAPTER III.

General Principles of Exchange,—fluctuations in the par confined to the expense of transmitting the precious metals from one country to another.

THE par of exchange between different countries is determined by a comparison of the intrinsic value of their respective currencies; for instance we say, 34 11¼* thirty-four schillings, eleven grotes and a quarter, are the par between Hamburgh and London; because 34 schillings, 11 grotes and a ¼ contain a quantity of pure silver equal to the pure silver contained in twenty of our standard shillings. Again, in the case of Ireland, the currency of that country is inferior to ours by 8⅓ per cent.; hence £108 6 8, Irish, is the equivalent at par of £100 British.

It is evident that if the currency of a country undergo alterations, its exchange with other countries will vary in proportion to these alterations. Let us first examine the rate of ex-

* Upon enquiry upon change, I have ascertained from respectable authority, that 34, 11¼ are the real par between Hamburgh and London, and not 33, 8. as was stated in the first edition of this work.

change, considered without reference to alterations in currency. It is affected by the balance of mercantile transactions. If at Amsterdam, for example, a larger sum than usual is required for remittance to England, the brisk demand for bills creates a rise in the rate of exchange, a rise greater or smaller, according to the demand;—this rise may continue progressive for weeks, yet it has a natural limit, beyond which in a free state of trade, it cannot go—namely, the expense of transmitting the precious metals to England. The contract on the part of a buyer of goods is to pay a certain sum in specie, or in the equivalent of specie; now the price of specie is, in fact, nearly equal all over the world; and when the buyer finds for his creditor specie, instead of bills of exchange, he equally fulfils his contract.

The expense of transmitting gold from London to Hamburgh, or *vice versâ*, was in 1797, according to the evidence of Mr. Eliason, (an eminent continental merchant) before the committee of secrecy, £3 12 11 per Cent. In a state, therefore, of peace and unrestrained intercourse, the rate of exchange between England and Hamburgh could not, for any length of time, greatly exceed that rate, either on the one side of the water or the other.

In regard to Ireland, it appeared by evidence

before the committee, on Irish exchange in 1804, that the expense of transmitting £100 in cash, from Dublin to London, or *vice versâ*, was between one and one and a half per Cent, and the statement of Mr. Foster, (Essays, p. 175,) affords a remarkable confirmation of the rule laid down in the preceding paragraph; for he informs us, that in the long interval from 1728, to 1797, the exchange never rose beyond the expense of sending gold from one country to the other, except under the temporary, and very peculiar circumstances of the year 1753.

It has, however, been contended, that in time an unfavourable balance of debt might exhaust a country of its gold, and then the rate of exchange would be regulated in exact proportion to the balance of debt; it is, however, generally admitted, that an unfavourable balance of debt has no such effect, that its tendency is to force exports, and diminish imports; but neither to raise the exchange indefinitely, nor yet to exhaust the country of its circulating medium. For this reason, an unfavourable balance of debt produces an unfavourable rate of exchange; and while this rate is less than the expense of transmitting gold, the debts of a country may be discharged through the medium of bills of exchange. When the exchange rises

to the full amount of sending gold from one country to another, it necessarily stops there, as every person who has a debt to discharge would rather send gold, than pay a premium for a bill, surpassing the expense of sending gold. This exportation of gold causes a diminution of it in the country so exporting, and what remains must acquire a superior value from its scarcity. Consequently, the price of commodities must be diminished in proportion to the diminution of the circulating medium, and their cheapness has a natural tendency to force exportation. On the other hand, the country thus receiving the balance of debt must have a redundant quantity of gold; its value must diminish; and the price of commodities will rise; which high price will cause a diminution of exports, as a country cannot sell so much of a dear, as of a cheap commodity. The low price of gold, also, will attract the cheap commodities of that country which had parted with a quantity of its circulating medium. These imports being exchanged for gold, increase the exports of the one country, and diminish the exports of the other, or increase the exports of the one country, and the imports of the other.

To render this more apparent, let it be supposed, that the whole circulation of England consisted of ten millions of gold, and that Ireland

possessed the same amount; and, in the course of commercial transactions between the two countries, that Ireland became indebted to England one million sterling, which debt could not be discharged, but by Ireland remitting to England, in gold, this amount; it will be evident, that if Ireland export one million of her circulating medium, while the produce of her land and labour remains the same, that the nine millions which remain will represent the same quantity of commodities that ten millions did before this debt was paid; and, consequently, the price of Irish commodities will fall in their value, in proportion to the diminution of the circulating medium. Their cheapness will give rise to exportation. England having added one million of gold more to her circulating medium, eleven millions will represent the same quantity of commodities as ten did formerly; this importation of gold will enhance the value of all English commodities in a correspondent proportion to its increase, which will consequently discourage their exportation. The cheap commodities, however, of Ireland, the cheapness of which forces their exportation, will come to England to be exchanged, not for English commodities which are dear, but for the redundant quantity of circulating medium which is cheap; and this necessarily diminishes the export of English, and increases the import of Irish

commodities, till such time as the level of the circulating medium of each country is restored. And if this principle governs the balance of debt between England and Ireland, it will also govern it in all their commercial transactions with the rest of the world.

The conclusion, therefore, at which we arrive is, that whatever may be the temporary and limited effect of mercantile transactions on the rate of exchange, the permanent and great variations from par are caused by the altered value of the circulating medium.

CHAPTER IV.

On the Effects produced on the rates of Exchange by a debased currency.

I HAVE already stated, that when the par of exchange has been fixed between two countries, the rate of exchange will vary in proportion to the variation in the value of the currency of either country; if, for instance, the legislature of this country debased the standard of our gold currency five per cent. while that of Hamburgh remained stationary, it would follow, that the pure gold contained in our pound sterling would no longer be worth thirty-four schillings, eleven grotes and a quarter, but would only be worth a smaller proportion of Hamburgh currency. The diminution would be equal to the debasement in the British currency; the rate of exchange, in consequence, would nominally be five per cent. against England.

Similar effects would be produced on the rates of exchange, if the currency of this country became debased from a deficiency of weight; as the rate of exchange is always calculated,

not according to what the currency contains, but what it ought to contain; the rate, therefore, will be in the exact proportion to the deficiency in the value of the currency. The history of commerce abounds with examples of this. Previous to the re-coinage in King William's reign, our silver coin was twenty-five per cent. below standard, and our exchange with Holland was twenty-five per cent. against us. Before the reformation of our gold currency, in 1774, the exchange with France was computed to be three per cent. against us, the French coins being much less worn than ours. Since 1774, the exchange has been against France, and in our favour. In the same manner, before that reformation, the exchange was generally against us with Amsterdam, Hamburgh, Venice; but since the reformation, it has generally been in our favour.*

A recent instance of the effects of degraded currency on exchange, has been afforded by the barbarous policy of the Turkish government. They have made three great adulterations of their coin; the first in 1770; the second in 1787; and the third in 1796. Before these frauds, the Turkish piastre contained nearly as much silver as our half-crown; and, in exchange, the common computation was eight piastres to the

* Wealth of Nations, vol. 2. p. 273—5.

pound sterling. The consequence of these repeated adulterations has been a reduction of the silver in the piastre to one half, and a fall in the exchange of one hundred per cent.; bills on London having been bought, in 1803, at sixteen piastres to the pound sterling.*

In this country an unfavourable exchange, caused by a debased currency, has been accompanied with a high market price of bullion. In the case of the silver currency in King William's time, the price of silver rose to 6s. 5d. per ounce, as stated by Mr. Lowndes. In the case of the gold coins, previous to their reformation, the market price of gold, on an average of 16 years, was £3 19 2¾ per ounce. When the currency was reformed, the exchange fell to par, and the market price of bullion fell to its mint price.

It would seem, therefore, that a currency debased, either by adulteration, or by a deficiency of weight in the coins, may cause the exchange to be permanently unfavorable to a country; a circumstance which can only be remedied by a reformation of the circulating medium, and does not in the least degree depend on the balance of debt; as the exchange depending on the balance of debt can at no time exceed the amount of transmitting the precious metals from one country to another.

* Foster's Essays on Commercial Exchange, p. 94.

CHAPTER V.

Bank Restriction Bill—its general effects—high price of bullion—of commodities—the depreciation of currency—unfavourable exchange with foreign countries.

As the unexpected continuance of the present system of the Bank of England has been attended with effects which appear to have excited considerable surprise and attention, it is of some importance to shew in what manner they have taken place; and in so doing it will be proper to consider the state of the gold currency from 1760 to 1797, and from 1797 to 1810.

On the accession of his present Majesty to the throne, the gold coins of this country were in a very debased state. Their deficiency in weight increased so rapidly, that, in the year 1773, the government found it necessary to take the subject into consideration; the result of which was, the recalling of all the light coins from circulation, which were re-coined in the years 1774, 5, 6, and 7. From this period the gold coins were in a state of great perfection,

and were maintained in this state by frequent new issues from the mint.

It is a fact worthy of particular notice, that for several years before the reformation of the gold coins, the market price of gold was considerably higher than its mint price. From 1757 to 1773, a period of sixteen years, its average price was £3 19 2¾ per ounce. But immediately after the re-coinage in 1774, the market price of bullion fell below the mint price; and, during a period of twenty years, from 1777 to to 1797, the average price paid by the Bank Directors for gold, was only £3 17 7¾, which is 2¾d. under the mint price.

From this fact the conclusion cannot be considered doubtful, that the high price of gold bullion was occasioned by the defective state of the gold coins; that £3 19 2¾ of these coins did not contain more than an ounce of standard gold; consequently, it would not exchange for its nominal value, but according to the quantity of standard gold which it contained. And this fact is fully proved by the reformation of the coins. When every £3 17 10½ contained an ounce of gold, the market price of gold immediately fell to its mint price; an ounce of standard gold bullion could be readily obtained for £3 17 10½ in coins.

During the above mentioned period of the defective state of our gold coins, Lord Liver-

pool states, that foreign exchanges were very much influenced to our disadvantage, and this circumstance was one of the principal causes which induced the government to reform the coins.

Lord Liverpool states another fact worthy of notice, that during the period already mentioned of the defective state of the gold coins, the price of silver was influenced by their deficient, or perfect state. From 1757 to 1773, the average price which the Bank Directors paid for dollars, was 64⅛d. per ounce, equal to 66⅛d. for standard silver. But immediately after the re-coinage of the gold coins, the price of dollars fell, so that, on an average of twenty-four years, ending 1797, the Bank Directors have paid for dollars 61¼d. per oz. equal to 63¼d. per oz. for standard silver, and less than the average price for sixteen years previous to the re-coinage by 3⅛d. per ounce, or $5\frac{3}{3}\frac{5}{3}$ per cent.

From these facts, it would appear of very considerable consequence to keep the gold coins in a state of the greatest possible perfection. By neglecting to do so, the exchange with foreign countries becomes against us. We have a rise in the price of gold; the new and heavy coins are selected from the light and debased, and exported for the profit attending the high market price of bullion. The price of all commodities rises in proportion. The price of silver

is also raised, which, with a currency somewhat assimilated to the perfection of our gold coins, would hold out a considerable temptation to melt, and export it; and this is now prevented only by the very debased state of the silver currency.

I come now to consider the state of the currency since 1797, the year in which the Bank suspended payment. The causes which led to this memorable crisis in our pecuniary affairs, have already occupied a great share of the public attention; I will, therefore, proceed to the consideration of the effects that have followed.

It is generally admitted, that the value of a commodity depends greatly on its scarcity or plenty. Now there has been, within these twelve years, a remarkable increase in our amount of Bank notes. For several years before 1797, the amount of them in circulation did not exceed eleven millions, and bullion was cheap, being about £3 17 ſ per ounce. But after 1797, the amount of Bank notes was progressively increased, and as soon as this increase became considerable, the price of bullion rose.

	Notes in circulation.	Price of gold bullion.
On 25th Dec. 1797	there were £11,641,400	3 17 6
1798	12,708,657	3 17 6
1799	13,672,405	3 17 6
1800	15,251,240	4 5 0

The tables in the Appendix contain the quan-

tity of notes, and price of bullion for the remaining years, and concur to shew, that the rise of bullion has been consequent on the increase of notes. Bullion has never since 1800 been below £4, and it was lately so high as £4 13.

In further illustrating the subject of the high price of gold, it is of consequence to remark, that when silver was the money in which all bargains were concluded, the course of exchange for or against this country, was in proportion to the defective or perfect state of the currency, and this unfavourable exchange was accompanied with a high market price of silver bullion. Previous to the re-coinage of King William III. the exchange was as much as twenty-five per cent. against this country, and the market price of silver was 6s. 5d. per ounce. Foreigners considered the silver coins as the principal measure of property, and rated their exchanges accordingly. In 1717, the gold coins of this country were, by proclamation, declared legal tender, at the rate of twenty-one shillings to a guinea; and since that period, no such unfavourable exchange has taken place, although the silver coins were, and still continue, in a very defective state. The course of affairs seems to have transferred from the silver to the gold coins, the power or quality of being the principal measure of property. Accordingly we find, that the

course of exchange was considerably affected to our disadvantage, in consequence of the defective state of the gold currency, previous to its reformation in 1774. With this unfavourable exchange, we had a rise in the price of gold; on the reformation of the coins, however, we had a fall in the rate of exchange, and also in the market price of bullion, as has been already stated.

In these two instances, the defective state of the currency acted on the price of all commodities in the same manner as an increase of gold and silver would have done; it was like increasing the nominal amount of pounds sterling in circulation. Let us suppose that they were increased one-fourth, as in the case of the silver coins, while the quantity of commodities remained the same, or nearly the same; does it not follow, that the price of all commodities would be augmented in a similar ratio? That the consequences here stated actually followed the defective state of the silver currency, will appear from Mr. Lowndes' report to the Lords of the Treasury, of the 12th Sept. 1695; in which he states, "that great contentions daily arose in all fairs, markets, shops, and other places throughout the kingdom, to the disturbance of the public peace, in consequence of the defective state of the silver coins; that trade in general was

on that account greatly lessened; that persons before they concluded any bargains, were under the necessity of settling the price, or value of the very money they were to receive for their goods; and that they set a price on them accordingly; that these practices had been one great cause of raising the price, not only of all merchandizes, but of every article necessary for the sustenance of the people; that the receipt, and collection of the public taxes, revenues, and debts, were greatly retarded." p. 115.

In 1797, when Bank of England notes were declared a legal tender, at the rate of twenty shillings to the pound, for such I conceive to be the spirit of the Restriction Bill, there was no longer any restraint on the Bank Directors in the emission of their notes. Previous to this period, they were perfectly aware that, if they issued their notes to excess, a rise in the price of gold would be the consequence, and that these notes would be returned to them to be exchanged for guineas, which would be melted down, and exported at the advanced market price. When the excess of their notes was thus withdrawn from circulation, the market price of gold fell to its mint price. This check alone was always sufficient to prevent, for any considerable time, an excess of Bank notes: and in the remonstrances of the Bank Directors with Mr. Pitt, on the subject of

advances to government, sufficient evidence is adduced to shew, how well aware they were of the inconvenience of that excess. The evidence of Mr. Giles, the Governor of the Bank, before the Committee of Secrecy, tends also to the same conviction, as does the evidence at large.*

Since, however, the Bank Directors have been liberated from all restraint in the issue of their notes; if they increase them in an undue proportion to the whole produce of the land, and labour of the country, in which they are circulated, does it not follow, that this increase of money will operate, in a similar manner, on the price of all commodities, as the discovery of a gold or silver mine would do? The effects of the discovery of the American mines are in the recollection of every one. Silver, compared to commodities, became cheap from so great an increase, and the money price of all commodities was enhanced. If, therefore, the Bank of England has issued notes to such an excess as to raise the money price of all commodities, it is no difficult matter to account for the very high price of gold, which is bought and sold in the market like any other commodity. Gold can no longer be said to be the principal mea-

* See Report of that Committee.

sure of property in the country; and the transfer which I mentioned, as having taken place from the silver to the gold, on the latter being declared a legal tender, seems to have taken place in respect to Bank notes. Hence the money price of gold in Bank notes has been of late £4 13 per ounce, and, from the great increase of Bank notes, the amount of the nominal pound sterling has been increased in the country; and the whole produce of the land and labour having continued the same, or having not increased in the same proportion, the price of all commodities has risen in proportion to this increased quantity of money. I have already proved, that when the defective state of the silver coins, previous to the re-coinage of King William III. increased the nominal amount of pounds sterling in the country, the price of silver bullion, and all other commodities rated in silver, rose in proportion to the increase of money. Now the very same thing has happened with respect to gold, and all other commodities, whose prices are rated in Bank of England notes. Having increased in an undue proportion to the whole produce of the land and labour of the country, these notes have become depreciated, and the same nominal amount will not command the same quantity of the necessaries and conveniences of life.

To render this subject still more simple, let us suppose the whole circulation of the Bank of England to consist of ten millions of gold; and that they possessed a piece of ground, in which they discovered a gold mine, which enabled them to add, in a period of ten years, five millions more to the money in circulation; and let us suppose also, that the produce of the country is not rapidly advancing or declining: would the value of gold, and all other commodities rated in gold, be the same to-day as they were ten years ago, the day previous to the discovery of the gold mine?—No, surely.—The money price of all commodities rated in gold would rise in price, in proportion to its increased quantity.

However much the value of gold might be increased or diminished, yet its price would remain unaltered. If the ounce of standard gold were coined into £3 17 10½ of gold coins, the price of that ounce would be precisely £3 17 10½. It could never exceed, and could never fall below that price; and if the ounce of gold were coined into £5, the price of that ounce would be precisely £5. The standard or mint price of gold is invariable in its name or denomination, though not in its value.

Let us suppose again, that the circulation of

the Bank of England consisted of ten millions of gold, and from a wish to save the expense of maintaining the whole of this metallic currency in a state of perfection, they issue Bank notes, which they find considerably cheaper; and that upon the faith of these Bank notes being exchanged for gold when demanded, the community accept of them the same as if they were in reality pieces of coined money. Let us suppose further, that by an act of the Legislature, the Bank is liberated from the obligation of exchanging her notes for gold when demanded. All restraints on her issues immediately cease to exist: she may, as in the first supposition, add five millions of notes to those in circulation, in a period of five or ten years; the community continuing to receive them, either from necessity, or from a confidence that the Bank, at some future period, not very far remote, will give to the holders of these notes, gold to the amount therein specified in exchange. Now, the reality of this supposition has been verified in the transactions of the Bank within these last thirteen years. In 1797, the Legislature liberated the Bank of England from the obligation of paying her notes in gold when demanded; the consequence has been, that the average amount of her notes in circulation has increased from 10 to 20¼ millions.

And while the community accept of these notes on the faith of the Bank being able some day to give gold in exchange for them, there can be no difference in the effects arising from this increase of money, whether it consist in the notes of Bankers, or in an increase of gold. In confirmation of this fact, it is only necessary to state, that Bank of England notes do not circulate out of the Island of Great Britain, and that any increase of them, while the public confidence, and the produce of the land and labour remain the same, must operate on the price of all commodities in the same degree, that an increase of the precious metals would do, and with this increased security, that the precious metals might find their way out of our island, and from scarcity become more valuable, while the paper money, from its possessing no intrinsic value, is sure to remain at home, and produce all the effects which are here attributed to it. And if the Bank is allowed to retain her present monopoly for thirteen years longer, and increase the issue of her notes to twenty-seven or thirty millions, the price of gold, and every other commodity, will experience a proportionate rise in price. Allowing that Bank of England notes are competent to supply the place of guineas in our currency, a great difficulty, however, arises in proportioning their

number to the demands or necessities of the country—while it is the interest of the Bank to lend, they will find borrowers even beyond the necessities of the community, and as all restraint is now taken off the Bank Directors, they have increased the issues of their notes beyond all former precedent; nor is it natural to suppose, that they will diminish the quantity of their notes in circulation, seeing it is not their interest, until they are obliged to do so. Let the check be restored, therefore, which formerly regulated the Bank in the issue of her notes. This check was the obligation to pay them in cash.

Some have supposed, that the Bank cannot increase the issue of her notes to any improper length; for, say they, the rate of interest, which is regulated by the scarcity or abundance of money, will be a proof of there not being too much money in circulation, if the rate of interest remain stationary. The fallacy of this doctrine has been distinctly proved by Mr. Hume, in his Essay on Interest, and by Dr. Smith, who has also proved, that the rate of interest for money is regulated by the rate of profits on that part of capital which does not consist in circulating medium; and that those profits are not regulated by, but are wholly independent of, the greater or smaller quantity of money, which may

be employed for the purposes of circulation; that the increase of circulating medium will increase the prices of all commodities; but will not lower the rate of interest.—Wealth of Nations, vol. ii. book ii. chap. iv.

CHAPTER VI.

Bank Restriction Bill—its particular effects —injury or injustice to annuitants and others—debasement of the national currency—Country Banks not the cause of these evils.

The depreciation of money which has followed in consequence of the Bank Restriction Bill, bears particularly hard on all annuitants, and that large class of individuals, whose sole dependence is placed on a fixed income; those persons have the value of their revenue diminished to the whole amount of the depreciation on the currency, which appears from the tables in the Appendix to be about 16 per cent. so that £84 per annum before the Restriction Bill passed, could command the same quantity of the necessaries of life as £100 would at the present day, if no other cause whatever had acted upon the price of commodities.* It seems an

* That money has depreciated more than 16 per cent. since 1797, I believe, is generally allowed; but the depreciation which I here mention, as having taken place in the currency of the country, is very different from that caused by taxation. We have the misfortune, however, to suffer under both evils!

unheard of evil, that the Bank of England should possess the power of diminishing, *at her pleasure*, the value of all the monied interest in the kingdom!

Every contract made during the present system of the Bank of England must be founded in injustice, as will appear, if we suppose for example, that a farmer leases a farm of his landlord at the rate of £100 per annum, which rent the farmer is induced to give from the general high market price of all species of grain, which he supposes will continue and enable him to pay his rent. He finds, however, that the Bank is obliged to resume payments in cash, from which circumstance a fall of £16 per cent. takes place in the price of the whole produce of his farm.—It is unnecessary to relate the distressing consequences to the poor farmer.

Another evil, resulting from the continuance of the Restriction Bill, is the debasement which must necessarily take place in the gold currency from constant circulation, and from few new coins being issued to supply the place of those that become deficient in weight, which, according to the King's proclamation, are not a legal tender below a certain weight; (the guinea for example, is not a legal tender, when it weighs less than five penny-weights and eight grains;) also, from the tendency which Bank notes

have to force the gold coins out of circulation: circumstances which on the repeal of the Restriction Bill might subject the country to the expense of a general re-coinage of all the gold monies.

I have already stated, that for 16 years previous to the re-coinage of gold, the market-price of that metal averaged £3 19 2¾ per ounce. £3 19 2¾ of the gold coins then in circulation did not weigh more than an ounce, being a deficiency of £1 14 6¼ per cent. The gold coins, now in circulation, are rapidly advancing to this state of debasement: according to the last experiments made by the officers of his Majesty's mint, and laid before the committee of council for coin, in 1807, the guineas were debased by a deficiency in weight £1 3 4 per cent. being £0 11 2¼ per cent. less than the average debasement for 16 years previous to the re-coinage. On the average of guineas and half-guineas, the debasement by a deficiency in weight was £1 12 11¼ per cent. being only £0 1 7 per cent. less than before the re-coinage. On the average of the guinea, half-guinea, and seven shillings piece, the debasement, by weight, was £1 7 8¼, being only £0 6 10¼ per cent. less than before the re-coinage: and it is probable, that by this time, the debasement of the gold currency is

fully equal to what it was before its reformation in 1774.

If the Restriction Bill were just now repealed, it must be expected that the market-price of gold will not fall to its mint price, because of the deficiency in the weight of the coins: it required on an average of all species of gold coins in circulation, in 1807, about £3 18 11¼ to weigh an ounce. The market-price of gold, (according to the principles to be laid down in the eighth chapter,) would be precisely £3 18 11¼.

Since the Restriction Bill passed, little attention has been paid to the state of the gold currency—no guineas have been coined since 1799: several small coinages of half-guineas and seven shillings pieces have been executed; these, however, have only enabled the Bank to answer the demands on her for change in transacting the public business, and have not been able to prevent the debasement of the currency.

The gold coins now in circulation are deficient to a greater extent than allowed by proclamation; and if this proclamation is enforced, the public at large will refuse the light coins, as they did previous to 1797. If it is suspended, the new guineas as issued from the mint will be melted and sold for the high market price of bullion, caused by the debase-

ment of the coins; a succession of the same evils which existed previous to 1774, would be the consequence of such a measure; a general re-coinage is therefore forced upon the country, to avoid other evils ultimately as expensive. The expense of the re-coinage in 1774, amounted to about £750,000. A repetition of this expense seems unavoidable; so that in whatever point of view the Restriction Bill is considered, it is fraught with oppression to the whole body of the people.

It has been supposed by some, that every increase of Bank notes drove an equal amount of gold coin out of circulation. For example, if the Bank of England increased her notes from ten to twelve millions, the two millions of additional paper forced two millions of gold coins out of circulation. This, however, does not appear to be the case; for if the paper money thus increased had only supplied the place of gold, there would have been no rise in the price of gold, as there would have been no more notes in circulation, than there would have been gold had no notes been used. There would have been no excess of currency. For several years previous to the Restriction Bill, the average amount of Bank notes was about eleven millions. Since the restriction, they have increased to upwards of 17 millions; if these six

millions of Bank notes had displaced an equal amount of coin, we should have experienced no rise in the price of gold. If we could ascertain what increase of Bank notes it would require to raise the price of gold 20 per cent. above its mint price, we could exactly determine the amount of the gold coin forced out of circulation; having no means to ascertain this fact positively, its place can only be supplied by conjecture.

We may suppose, that the whole produce of the land and labour of this country is nearly the same now, as it was in 1797, and the calamities of war will perhaps admit the supposition of but a small increase; at the same time that, whatever this increase may be, the improved methods of banking now adopted may render about the same quantity of circulating medium necessary, as in the former period. If it be allowed, that an increase of circulating medium of one-fifth raises the price of gold, and of all commodities, 20 per cent. it would follow, that if two millions and one-fifth were added to the 11 millions in circulation, being one-fifth of that sum, that the price of commodities would be augmented 20 per cent. We find, however, that six millions have been added to the Bank notes in circulation, so that these six millions have only displaced four millions and four-fifths

of a million of gold coin, leaving thereby a permanent excess of currency of £2,200,000. Though this statement does not determine exactly the point in question, it gives an idea of the matter somewhat approaching to truth; and it would appear, that if the Bank Directors diminished the amount of their notes to about 14 millions, the market-price of gold would fall as near to the mint price as the debased state of the coins would permit; while, however, the present system is continued, the evil of a debased currency must be increased, and must render it both more difficult, and more expensive, to return to the old system of rendering Bank of England notes payable on demand.

Since the first edition of this work was published, it has become a very general opinion, that the country Banks are the cause of all the evils which we have attributed to the Bank of England. As this is a question of great interest to the prosperity of the country at large, it may not be unnecessary to explain the nature of the connection existing between the Bank of England and the Country Banks.

After the suspension of cash payments at the Bank of England, it was deemed necessary for the security of the country, to render the notes of Country Bankers payable in those of the Bank of England; this obligation was a check upon

the issues of the Country Banks; they could only increase their notes as the Bank of England increased her notes. If the Bank of England diminished the amount of her notes, the Country Banks, if they understood their own interest, must have immediately followed her example. If the Country Bankers did not diminish the amount of their notes, as the Bank of England diminished hers, they would be liable to the inconvenience and danger of a run, caused by their mutual and unceasing competition; and if these Banks have not Bank of England notes to answer all demands, they must necessarily stop payment: it is their interest to avoid this crisis. It may be asked, how are the Country Bankers to know when the Bank of England is diminishing her notes? To this it may be answered, by the difficulty their London correspondents find in getting discounts at the Bank of England, of which they are apprised.

It will appear, therefore, that this obligation on the Country Bankers to pay in Bank of England notes, must operate on their issues in a similar manner to an obligation to pay in cash.

This dependence of the Country Banks on the pleasure of the Bank of England can be further simplified and explained, by stating the natural consequence of an over-issue of notes by the Bank of England.

Let it be supposed, that the Bank of

England has made an over-issue of notes, say one million. Bank of England notes do not in general circulate many miles from London; in the district, therefore, in which this over-issue has been made, a rise will take place in the price of commodities, and will be proportionate to the increase of money. In the country, however, where no such increase has taken place, the price of commodities will have experienced no rise in price; the high money price of commodities in London, however, will tempt the commodities of the country to come to the London market for the advantage of the high price; in the country a scarcity will be experienced, and a consequent rise in price; this increased price, however, cannot be paid without an increase of money. Money will be demanded, and, as it is the interest of the Country Bankers to lend, the void will be supplied; and the high price of commodities, caused by this over-issue, will become general, and not local.

It would, therefore, appear, that Country Banks can only increase the evil of an excessive paper circulation, by the latitude which is given to them, or rather the necessity which is imposed upon them, by the Bank of England. By an over-issue of the Bank of England to-day, she creates a demand upon the Country Bankers for a similar and correspondent issue to-morrow or

next day. On the other hand, if after such over-issue the Bank of England found it her interest or necessity to withdraw a considerable quantity of her notes, the act might be attended with the failure of almost any number of Country Banks; they would be unexpectedly deprived of the means of upholding their credit, their notes being payable in those of the Bank of England.

Such is the precarious and dependant situation of our Country Banks, as connected with the Bank of England; the extensive advantages derived from those Banks render it desirable that their security should be increased, and that they should be entirely independent of the Bank of England; for, without imputing any improper motives to the conductors of that concern, political circumstances alone might compel them to such a sudden diminution of their notes, as might produce the calamitous circumstances here ascribed to be within the limits of their present uncontrolled powers.

CHAPTER VI.

On the Effects produced on the rates of Exchange by a depreciated currency.

The currency of a country is said to be depreciated when a given quantity of it will no longer exchange for a like quantity of that of another country; for example, if the circulating medium of England was reduced in value $\frac{1}{10}$th below its standard and recognized level, while that of Hamburgh remained stationary, the pound sterling of England would not exchange for 34 schillings, 11 grotes and a $\frac{1}{4}$ of Hamburgh money, but for $\frac{1}{10}$th less. The depreciation of English money would in this case be ten per cent.; and it is evident, that the rate of exchange would be also ten per cent. against England. But from the doctrine already advanced, it would appear, that a currency of gold and silver only, or of gold and silver and paper, the latter convertible into the former at the option of the holders, could never, abstracting from debasement, be depreciated; for the rapidity with which the precious metals retire

from a cheap in quest of a dear market, would always take the surplus quantity out of the country; and whatever excess and depreciation we have in our currency has a direct tendency to raise the value of the precious metals in other countries in a similar ratio. The price of commodities compared to the gold and silver will be cheap, which will encourage exports to bring home the quantity of bullion necessary to restore the general level of those commodities.

The depreciation of currency here described, is different from that species of depreciation, which the precious metals are subject to from the discovery of new mines, or an accumulation of gold and silver from those already known. In this latter case, while the precious metals may be depreciated to an indefinite extent, the currency of any one country cannot undergo a greater permanent depreciation than another, from the tendency which the precious metals have to seek the best market. Hence in all ages, it has been found impossible for any country to retain more gold and silver than the demands of that country required.

We must, therefore, seek the cause of a depreciation of currency, consisting of gold and silver and paper, the latter convertible into the former, in something else than mere excess, as

any depreciation caused by such excess must be a very temporary evil, and from the very nature of things is daily working its own remedy.

Since the Bank Restriction Bill took place, it has generally been supposed, that the excessive quantity of Bank notes in circulation has caused a considerable depreciation in their value. The sign of this excess and depreciation has been a permanently unfavorable exchange, and a high market price of bullion, which never had taken place in this country while Bank notes were payable in gold on demand.

When the Directors of the Bank of England were obliged to give gold for their notes on demand, their quantity never could exceed the quantity of gold and silver, that would have circulated in their place, had there been no Bank notes; but if they issued their notes to excess, it appeared immediately in the high price of bullion, and the unfavorable exchange. The price of gold was no longer rated in gold, otherwise it could not in the entire state of the gold coin have exceeded £3 17 10½ per ounce; but its price in Bank notes varied in proportion to the amount of notes in circulation. Bank notes, not gold, for the time, became the principal measure of property, in which the price of all commodities was rated. Gold accordingly, as in Bank notes, was sometimes £3 18 and £4 per ounce. It will,

however, appear evident, that while these notes were convertible into gold at pleasure, the dealers in bullion would take these to the Bank, and exchange every £3 17 10½ for an ounce of gold coin, which, if melted and sold at the then market price, would make a considerable profit by so doing. But the excess of Bank notes could not remain for any length of time in circulation while this was practised; nor, indeed, was it the interest of the Bank to force the issue of her notes under such circumstances, as she, by that means, rendered herself liable to be exhausted of her guineas. On the contrary, it appears, from the evidence adduced before the committee of secrecy, that when the exchange became unfavorable, and the price of bullion rose above its mint price, the Bank Directors limited their discounts, until such time as the value of their notes was the same as their guineas, or until the market price of gold fell to its mint price, and with this fall the rate of exchange fell also.*

* This principle, apparently so novel, and at present so much disputed by those who are interested in its non-existence, has nevertheless been firmly established for nearly a century, as will appear from the following extract from "A Discourse concerning the Currencies of the British Plantations in America, &c."

"The repeated large emissions of paper money are the cause of the frequent rise in the price of silver and exchange, *which do*

Since, however, the Bank Restriction Bill passed, this salutary check upon the issues of the Bank Directors has been entirely destroyed,

as regularly follow the same as the tides do the phases or courses of the moon. When no large sums are emitted for some time than what is cancelled of former emissions, silver in exchange is at a stand; when less is emitted than cancelled, (which seldom happens,) silver in exchange do fall.

" This is plain to a kind of demonstration, from the history of the paper-money emissions in New England.

" After silver had rose, Anno 1706, to 8s. per ounce, by light pieces of eight superseding the heavy pieces, it continued at that rate, while paper emissions did not exceed a due proportion to the current silver: A. 1714, we emitted £50,000 upon loan, and A. 1715, Rhode Island, £40,000, besides emissions on distant funds for charges of Government: in the autumn, A. 1715, *silver became* 15 *per cent. advance above* 8s.; *that is, about* 9s. 2d. *per ounce.* Massachuset's Bay, A. 1717, emitted £100,000 upon loan, and a very long period, *silver rose to* 12s. *per ounce;* A. 1721, Massechuset's Bay emitted £50,000, and Rhode Island £40,000 upon loan; *silver*, A. 1722, *became* 14s. *per ounce.* From that time a chargeable Indian war required large emissions, *and silver rose to* 16s. *per ounce;* it continued at this rate till A. 1728, emissions not being larger than cancellings. A. 1727, Massechuset's Bay emitted £60,000, and A. 1728, Rhode Island emitted £40,000 upon loan; *silver became* 18s. *per ounce;* A. 1731, Rhode Island emitted £60,000 upon loan, (N. B. Besides the several loans in the course of this history, all the charges of the four Governments were defrayed by paper emissions,) and *silver became*, A. 1732, 21s. *per ounce*; A. 1733, Massechuset's Bay emitted £76,000 upon funds of taxes, Rhode Island £104,000 upon loan and taxes, Con-

and there can now exist no possible obstacle to the increase of their notes, but what their own prudence suggests.

If I am correct in my view of this subject, the high permanent rate of Exchange is a consequence of a depreciated currency, occasioned by an excess of Bank notes, which act on the rate of exchange in a similar manner, as if our currency was debased, either by adulteration of the standard, or by a deficiency in the weight of the coins. This depreciation affects the market price of the precious metals in the same manner as the debased currency affected it in the reign of King William the Third, and previous to the reformation of the gold currency in 1774; and while this depreciation continues, the unfavourable rate of exchange will continue also; and will be indicated by the excess of the market above the mint price of gold. In the case of an unfavourable exchange, caused by a balance of debt, the rate will at no time exceed the expense of transmitting the precious metals, bating the depreciation on Bank notes, or the excess of the market above the mint

necticut £50,000 upon loan, and A. 1734, *silver became* 27s. *per ounce.* From A. 1734, to A. 1738, *more bills were cancelled than emitted, exchange fell from* 440 *to* 400 *per cent. advance.* A. 1738, Rhode Island emitted £100,000 upon loan, *silver rose from* 27s. *to* 29s. *per ounce.*—page 26.

price of gold. Withdraw the cause of the depreciation, as was done when the currency was debased, and we shall obtain the same beneficial results in the one case as in the other.

Let the Directors of the Bank of England resume those principles for the rule of their conduct now, by which they were guided before the Restriction bill took place. Let them on every rise of the exchange limit the amount of their discounts, and it will invariably happen as it did then, that a diminution of their notes will cause a fall in the rate of exchange, and in the market price of bullion.

The observance of the same rules by the Bank of Ireland, in regard to the exchange, is stated in very explicit terms by the committee, which sat on their affairs in the year 1803. The committee in mentioning the necessity of contracting the issues of paper money, say, (page 4) "such has been the natural practice of Banks, previous to the restriction. Mr. Colville, (a director) states it in very clear and forcible terms, as to the Bank of Ireland. *Prior to* 1797, *they limited the amount of their issues as exchange rose.* If prudence had not dictated such a course, necessity would have compelled a diminution of their issues, by diminishing the stock of specie which could only be replaced at a loss proportionate to the existing rate of exchange; and your committee observe, that in fact, as well as in theory, the

effect of such practice *always was, and must be the redress of the unfavorable exchange.*" Again, (page 19) " your committee do in express terms declare their clear opinion, that it is incumbent on the Directors of the Bank of Ireland, and their indispensable duty, to limit their paper at all times of an unfavorable exchange, during the continuance of the restriction, exactly on the same principle as they would, and must have done, in case the restriction did not exist; and that all the evils of a high and fluctuating exchange must be imputable to them if they fail to do so."

That the language of this committee, pointed as it is, was not overcharged, is evident from a circumstance of which Mr. Parnell informs us,* that in Feb. 1804, guineas were openly bought with these notes in Mr. Frank's office, Suffolk Street, Dublin, at a premium of ten per cent. In London the sale of guineas at a premium has not been so openly conducted; but it has, notwithstanding, been carried on to a great extent, and at a premium considerably above ten per cent.

According to the principle which I shall endeavour to establish, viz. that the market price of gold can at no time exceed its mint price, provided every £3 17 10½ contain an ounce of standard gold; it would appear, that every excess of the mint price must be attri-

* Parnell on Currency and Exchange, p. 15. 4th Edition.

buted either to a debased, or a depreciated currency. For example, if £3 17 10½ contained an ounce of standard gold, the value of that ounce would be precisely £3 17 10½. But if it required four guineas of our present gold coin to weigh an ounce of standard gold, the price of an ounce would be precisely four guineas; and if the price of an ounce of gold in Bank notes is £4 13, while the ounce contains only £3 17 10½, it follows that gold is more valuable than Bank notes by 15s. 1½d.; the difference between the price of an ounce of gold as rated in respect to itself, and its price as rated in Bank notes. Again, if it required of our present gold currency four guineas to weigh an ounce, the price of gold would not be higher than four guineas. And if it required £4 13 of Bank notes to purchase this ounce, or these four guineas, still the Bank notes would be less valuable than the four guineas by 9s. which is a positive depreciation of Bank notes to that amount. But as the deficiency in the weight of our present gold coins, according to the last experiments made by the officers of his Majesty's mint in 1807, amounted on the average of all species in circulation, to about 1½ per cent. this, deducted from the excess of the mint price of gold, will leave a depreciation of Bank notes equal to about £14 13 per cent.*

* See Tables in the Appendix.

CHAPTER VIII.

Proofs adduced to shew that there exists no necessity for the continuance of the Restriction Bill.

As the popular argument in favour of the continuance of the Restriction Bill, has been the impossibility of the Bank resuming her payments in cash, while the price of gold is so much above its mint price, I shall here endeavour to prove that the *price of gold* can, in reality, at *no time*, be above its mint price, and that its being so at present, in appearance, is caused by the excessive quantity of Bank notes in circulation.

As much misapprehension has existed on this subject, it will be necessary to explain the cause of it.

The mint price of silver is 5s. 2d. per oz. and at this rate was legal tender in all payments, and to any amount, until the 14th of his present Majesty, when it was enacted, that silver should be a legal tender to the amount of £25 only.

The mint price of gold is £3 17 10½ per oz., that is, an ounce of gold is worth £3 17 10½ of silver, coined at the rate of 5s. 2d. per oz. The gold coins were declared a legal tender at this rate in 1717 to any amount. In consequence of this measure, we became possessed of two standards of money, each legal tender. I have already stated, that the course of affairs gave a preference to the gold coins, and they have continued since 1717 to be the principal measure of property. As the silver coins have continued to increase in debasement since this period, it would appear that the gold coins have only a nominal reference to those of silver; for if the gold coins were valued in the present debased ones of silver, it would follow that in place of gold being worth £3 17 10½ it would be worth about £4 17 4 per oz. or 25 per cent. more than its mint price, the silver coins being this much debased below the standard of 5s. 2d. per oz. Hence it would appear that gold in bullion, since 1717, has not in reality been rated in silver, but in gold coins. The idea of gold in bullion being rated in our silver coins, while in reality it has been rated in those of gold, has been the cause of all the misapprehension respecting the mint and market price of gold, and which is likely to continue while we have two standards of money each

legal tender. If the term £3 17 10½ had been laid aside, and the word ounce substituted in its place, would it not have followed, that an ounce of gold was just an ounce of gold, and would have continued so to the end of time; its command over the conveniences and necessaries of life being exactly in proportion to the quantity of ounces in the country. But if we choose to continue the term £3 17 10½, which is just another name for an ounce of gold, it does not in the least degree alter the question; for if £3 17 10½ contains an ounce of gold, an ounce of gold cannot be worth more than £3 17 10½; or in other words, an ounce of gold cannot be worth more than an ounce of gold, if the same in purity, which we take for granted.

This reasoning is confirmed, first, by the debased state of the gold currency, previous to its reformation, when £3 19 2¾ did not contain more than an ounce of gold; and, secondly, by the reformation of the gold coin. When every £3 17 10½ was made to contain an ounce of that metal, the price of gold immediately fell to its mint price, at which it continued for 20 years, and must have continued so *ad infinitum*, had not the Bank Directors, by their imprudence, deranged the system of our currency.

If the gold coins had in reality been rated in silver, the guinea in place of being current for 21s. would have been current for nearly 30s. as it was in 1695, previous to the re-coinage of silver in the reign of William the Third. The price of silver also would have risen in proportion, had its value in bullion been rated by the debased coin, to perhaps 6s. 5d. per oz.; 6s. 5d. of our present silver coin not containing more than an ounce of standard silver. The price of silver, however, was rated in gold from 1774 to 1797, and was purchased 5 per cent. cheaper, during that period, than it was for 16 years before, when the gold currency was much debased.

Further, if silver had in reality been the standard of our money, and the coins maintained in that state of perfection, both as to weight and purity, that our gold coins have been, we would then have had an invariable price of silver; if the mint price of silver was fixed at 5s. 2d. per oz. and every 5s. 2d. contained an ounce, the market price of the same standard silver never could exceed and never could be below that sum; its price not being referrable to any other standard of value, and having a reference only to itself, its price could not alter; for how could 5s. 2d. be worth 6s. 5d. or an ounce become worth an ounce and a quarter? the thing is impossible.—According to this principle, gold would vary in its price in proportion to

its quantity and the demand for it, its price would have been measured by silver, as a standard invariable in its price or denomination; the reverse of this, however, has been the case; from 1777 to 1797 we had an invariable price of gold, and a varying price of silver; which is a clear and decided proof that gold, and not silver, has been the standard of the money of England.

Having thus endeavoured to prove, that since the period in which gold coins were declared legal tender, their value has not been rated in silver, but in gold coins, and that silver in bullion has not been rated in the silver coins, but in those of gold, and consequently, that while £3 17 10½ of gold coins contained an ounce of standard gold, no difference could possibly exist between the mint and market price of that metal; let us next, to simplify this fact, still further suppose, that we had only gold coins in circulation, and in place of the arbitrary arrangement of pounds, shillings, and pence, we had the more simple and clear terms, ounces, half and quarter ounces, it will be evident, that the value of these ounces, half and quarter ounces, would be subject to a variation in *real value*, in proportion to the quantity of them in the country; but no force of language can make an ounce more valuable than four quarter ounces, or an ounce any thing but an ounce. Now the term £3 17 10½ I have

already proved to mean nothing but an ounce of gold; it does not mean that amount in our silver coins, for it would require nearly £5 of our silver coins to be equivalent in value to an ounce of gold, taking them at the mint price. I have also proved, that if £3 17 10½ contain an ounce of gold, no alteration even in that arbitrary term can possibly take place, and we have the experience of 20 years in proof of this assertion. If my reasoning on this subject has been correct, it will follow, that since Bank notes were declared a legal tender, the price of gold in bullion has no longer been rated in gold coins. I have also proved, that it was not rated in silver coins, otherwise its price would have been considerably higher than it has hitherto been. It appears then to have been rated in Bank notes, and its price accordingly, in Bank notes, has been £4 13 per ounce. In this we have a further proof of what I before stated, that gold is no longer the principal measure of property, but Bank notes; for if gold had continued so, its market price never could exceed, bating the debasement of the coins, its mint price of £3 17 10½; and if silver had been so, the market price of gold would have been about £5 per ounce, its equivalent in our debased silver coins.

Further, if my view of this subject has been

correct, it follows, that there exists no just cause why the Bank of England should not resume payments in cash; and that the arguments of Mr. Henry Thornton, and all those who advocated the cause of the Restriction Bill, and its policy, possess no real foundation in truth. The mode of avoiding all danger will appear in the next chapter.

CHAPTER IX.

On the remedy which the foregoing facts suggest as calculated to redress the evils of the Restriction Bill.

From what has been stated in the foregoing Chapters, the remedy for the evils occasioned by the Restriction Bill must be obvious. The manner of applying it, however, is of a delicate nature. The immediate resumption of payments in gold at the Bank would be attended with serious inconvenience; and no doubt considerable embarrassments would follow. From the doctrine which I have endeavoured to establish, a diminution of Bank notes must take place before the price of gold is affected. The particular mode of carrying this diminution into effect, whether by a considerable reduction, in the first instance, of one and two pound notes, or by small, but simultaneous reductions of the different classes of notes, is a question to be decided by those who are practically conversant with the business of the Bank, and with the ramifications of paper circulation. It is clear,

that an operation of so serious a nature should be gradual. As soon as any considerable reduction of paper shall take place, bullion will experience a fall; the exchange will rise in proportion, and the temptation to melt and export guineas will be lessened. A further reduction would bring paper still nearer to an equivalency with bullion, and exchange still nearer to par. A continued diminution of Bank notes would produce equality in the bullion market, and bring the exchange to par, or above it, after which the difficulty would be got over. The money dealer would then find it his interest to import bullion, and the Bank might resume cash payments without apprehensions of a run, it being at all times an accommodation to the public to make their large payments in paper money.

In pursuing this measure I do not pretend to deny, that considerable inconvenience would be felt by the mercantile community, for want of such liberal discounts as they may have had of late from the Bank; but the evils arising from this temporary embarrassment are by no means so great, as to plead for a continuation of the present pernicious and oppressive system.

As far as the Bank is concerned, the public is entitled to the most liberal exertions. The Restriction Bill has afforded the Bank enormous pro-

fits.—Observe the surprising effects produced on the value of Bank stock, by the exemption from cash payments after 1797.

In 1760, the average price of Bank stock was 110½
1777, ... ditto 133½
1797, (having fallen after the alarm) 127½
1808, (having risen progressively) the average was .. 235½
1809, in July, Bank stock sold for 280

The usual dividend on Bank stock was seven per cent. a year. Observe the large premiums or *bonuses*, as they are called, given in addition to the dividend.

In June, 1799, there was given on every £100 Bank stock, a bonus or present of £10 Loyalty stock.
May, 1801 ..... 5 Navy, 5 per cent. stock.
Nov. 1802 ..... 2½ Ditto.
Oct. 1804 ..... 5 per cent. cash.
Ditto, 1805 ..... 5 Ditto.
Ditto, 1806 ..... 5 Ditto.

And in April, 1807, the dividend was raised to ten per cent. at which it has since continued!

CHAPTER X.

Concluding remarks on the pernicious tendency of the Bank Restriction Bill.

I CANNOT leave this important, and highly interesting subject, without expressing my astonishment, that the people of Great Britain should have so long submitted to a system, fraught with so much injury to individual property, and to the prosperity of the country at large. The people of this country have always shewn a laudable zeal for the perfection of the currency; and had any member of the House of Commons pleaded for a system that was to debase the currency fifteen per cent. by an adulteration of the standard of our money, his doing so would have been considered as a grievous calamity to his country, and his motion would have been treated with the utmost indignation.

The public mind has of late become considerably enlightened on this important subject; and as the progress of truth is to expunge error, let us hope to see that love for the prosperity of

the country manifested by both Houses of Parliament, which was exhibited when the affairs of the Bank of England occupied their attention in 1797; when the welfare of the country was said to be so closely interwoven with her concerns. The country has a right to expect, and it looks to the Legislature for the discharge of the important duty—an investigation whether there now exist the same reasons for the continuance of the Restriction Bill; and, if the same reasons still exist, the enquiry again, whether these reasons imply any necessity which has its foundation in truth.

If the public were well-informed of the consequences that have followed the Restriction Bill, if they knew that the present high price of provisions is in a great measure attributable to the dangerous power granted to the Bank of England, would not the ears of the Sovereign have been assailed from every city and town in Great Britain, for a repeal of that impolitic measure? Would not the fathers of families, widows and orphans, have supplicated the removal of an evil which was so rapidly and unjustly depriving them of the means of procuring daily bread? The calamities of war have pressed sufficiently hard on the poor, in the depreciation of money that has ensued from taxation; but it is certainly cruel and unjust to

aggravate those evils by a measure that has been adopted in no country without the most serious injury to the body of the people, and ended in calamities that every good man would wish his country and his fellow creatures to avoid. The people of this country have cheerfully submitted to all the inconveniences and expenses of a war, in defence of their rights and liberties, and it is to be feared, that their burdens will rather be increased than diminished. With this prospect before them, it becomes the Legislature to watch over their interests, to redress the grievances of those who are injured by the present system of the Bank of England; in general they will be found a meritorious class of the community. The whole army and navy are sufferers by the present system; also all officers on half pay, the widows of officers who have lost their lives in the service of their country; those who from age and other infirmities have retired from the duties of office under Government. These classes of the community must suffer a diminution of comfort in proportion to the extent of the depreciation on Bank of England notes. They have no means to shift the load from off their own shoulders. In this respect they are worse situated than the day labourer, who demands, and must obtain a re-

compence for his services, proportionate to the existing price of provisions.

Whatever evils may now exist in consequence of the Bank Restriction Bill, the public has no security, that they shall not be increased. An excessive paper currency, however, has, in those countries where the experiment has been fairly tried, worked its own remedy, but not without giving an awful shock to commercial credit. On the Bank of England depends the credit of all our country Banks; the notes of the latter being payable in the former, the notes of all are at a discount of fifteen per cent. Must this evil be continued until it overthrow the commercial credit of Great Britain?*

* As the authority of Mr. Burke is, with an important portion of our countrymen, high, it may not be useless to remind them, not only that a forced paper circulation was one of the effects of the French revolution on which he dwelt with the greatest indignation; but that the very circumstances which he selected, as characterizing most strongly its mischievous effects, are most of them the very circumstances in which it is found coincident with that kind of forced circulation, under the effects of which we now labour in this country.

Mr. Burke's opinion of the compulsory paper of the revolutionary government of France is thus shortly expressed: "So violent an outrage upon credit, property, and liberty, as this compulsory paper currency, has seldom been exhibited by the alliance of bankruptcy and tyranny, at any time, or in any nation." Burke's Works, vol. v. p. 275.

Again, "We entertain an high opinion of the legislative

authority: but *we have never dreamt that parliaments had any right whatever* to violate property, to over-rule prescription, or *to force a currency of their own fiction in the place of that which is real*, and recognized by the law of nations."—Vol. 5. p. 327.

Mr. Burke further remarks, that "when so little within, or without, is now found but paper, the representative not of opulence, but of want; the creature not of credit, but of power; they imagine that our flourishing state of England is owing to that Bank paper, and not the Bank paper to the flourishing condition of our commerce, to the solidity of our credit, and to the total exclusion of all idea of power from any part of the transaction. They forget that in England, not one shilling of paper money of any description is received but of choice; that the whole had its origin in cash actually deposited; *and that it is convertible, at pleasure, in an instant, and without the smallest loss, into cash again.* Our paper is of value in commerce, because in law it is of none. It is powerful in change, because in Westminster Hall it is impotent. In payment of a debt of twenty shillings, a creditor may refuse *all the paper of the Bank of England.* Nor is there amongst us a single public security, of any quality or nature whatsoever, that is enforced by authority. In fact, it might be easily shewn, that our paper wealth, instead of lessening the real coin, has a tendency to increase it; instead of being a substitute for money, it only facilitates its entry, its exit, and its circulation; that it is the symbol of prosperity, and not the badge of distress. *Never was a scarcity of cash, and an exuberance of paper, a subject of complaint in this nation.*"—Vol. 5. p. 461-2.

Mr. Burke, in further descanting on the measures of the revolutionary government, adds, "As to the bankruptcy, that event has happened long ago, as much as it is ever likely to happen. So soon as a *nation compels a creditor to take paper currency in discharge of his debt, there is a bankruptcy.*"—Vol. 7. page 47.

CHAPTER XI.

Summary View of the Doctrines, which the reasoning in the foregoing Chapters tends to establish.

It has appeared, that the rate of exchange cannot exceed the expense of transmitting the precious metals from one country to another. And, should it so happen, that, with a currency of gold and silver only, the rate should appear to exceed that amount, it must be occasioned by the debasement of the coins, they being deficient in weight; and whatever that rate exceeds the expense of transmitting the gold or silver, must be the amount of the debasement of the currency, as the rate of exchange is calculated, not in what a currency contains, but in what it ought to contain.

If the rate of exchange exceed the expenses of transmitting gold from one country to another, with a currency consisting of gold and silver and paper, the latter convertible into the former, it must necessarily be temporary, and will always effect its own remedy.

I have endeavoured to establish, that the market price of gold cannot exceed its mint price, with a currency consisting of gold, and silver only; unless the coins be debased by a deficiency in weight, in which case the excess of the market above the mint price of gold will indicate the exact degree of debasement.

With a currency consisting of gold and silver and paper, the latter convertible into the former at the pleasure of the holders, the market price of gold may exceed its mint price; but this excess is necessarily temporary, and always effects its own remedy.

With a currency consisting of gold and silver and paper, the latter not convertible into the former, the market price of gold may rise above its mint price to an indefinite extent, and may become permanent, which altogether depends on the discretion of the Bank, in the issues of her notes. The price of gold being rated in her notes will have a price according to their quantity in circulation; in this case, the excess of the market above the mint price of gold, is the amount of the depreciation on Bank notes.

With a currency consisting of gold and silver and paper, the latter not convertible into the former, the rate of exchange may exceed the expense of transmitting the precious metals from one country to another; the excess may

become permanent, and it may rise to an indefinite extent, depending altogether on the amount of paper in circulation; an evil for which the country can have no effectual and permanent remedy, but in the obligation of the issuers of those notes, to pay them in gold or silver on demand. Whatever the rate of exchange exceeds the expense of transmitting the precious metals must necessarily be the amount of the depreciation of Bank notes, together with the debasement in the currency, as the rate of exchange cannot exceed the expense of transmitting gold from one country to another, but in consequence of a debased or a depreciated currency.

CHAPTER XII.

Observations on the principle on which the coins constituting the principal measure of property are fabricated—on the propriety of establishing but one standard of money, and on the principles of seignorage.

The principle by which our gold coins have been fabricated during the greater part of a century having been fully explained in a preceding Chapter, it will be only necessary here to recapitulate. It appears that gold coins are now the exclusive standard measure of property in this country, and that the price of gold, as fixed at the mint, is invariable; that while every £3 17 10½ of our gold coins contain an ounce of standard gold, they will at all times command an ounce of gold bullion in the market. It must appear evident, however, that any imperfection in these coins should be carefully avoided, as the debasement will raise the price of gold in the market in proportion to its extent; the new and heavy coins that may be issued from the mint, will be exchanged for

the light aud debased ones, and will be melted and sold for the profit attending the high market price. This practice must subject the country to a heavy loss in replacing the coins thus melted, and which in their turn are likely to undergo the same fate. The reader is referred to the Tables of the prices of gold, in the Appendix, from 1760 to 1773, to shew more particularly the effects produced by allowing the gold coins, which then, as well as now, were the principal measure of property, to become debased. Upwards of seven hundred thousand pounds on the average of every year during this period were issued from the mint. There was, however, no curing the evil but by a general recoinage of the light and debased coins, which reduced the price of gold to nearly a half per cent below its mint price.

The judicious regulations of the late Lord Liverpool, announced in his Majesty's proclamations, that the gold coins should pass by weight as well as by tale; and that the guinea should not be a legal tender, when it weighed less than five dwts. and eight grains, the half and third of the guinea in the like proportion, but should be returned to the mint to be recoined, were well calculated to maintain our gold currency in that state of perfection to which it was brought by the general recoinage.

It is probable, that if the Restriction Bill had not deranged our monetary system, we should have still possessed a currency in a state of perfection which few or no nations have ever enjoyed, and from which many and great advantages would always result to the country at large. If it is considered, that the rate of exchange for or against a country, in a great measure depends on the perfection of the coins constituting the principal measure of property, this will further enforce the propriety and necessity of watching over the perfection of this standard of value, being a result in which the commercial community is so much interested.

Among the objects which require the attention, vigilance, and study of the Legislature, the state of the money is not one of the least considerable. The aim of government should be to obtain what is required in the shape of taxes with the least possible oppression to the subject, and this it cannot do, if it fetters his industry by imperfect systems of currency, of which the country at large have complained as often as they have existed.

If this country have the good fortune to see the Restriction Bill repealed, the proclamations of his Majesty should again be put in full force in support of the perfection of our gold cur-

rency for which so much money has been expended.

When this desirable object is attained, it might be proper to establish an office in his Majesty's mint, for giving facility to the exchange of the coins become deficient in weight from wear, as stated in the proclamation; the government to determine at whose expense the exchange shall be made. An office of this nature anciently existed in the mint, and the person who held it was called the King's exchanger. The following account of this office is given by Lord Liverpool: "This officer appears not only "to have exchanged the coins of one metal "made at the royal mint, for those made of "another; but as the exportation of the "coins of the realm was prohibited, he fur- "nished persons going out of the kingdom with "foreign coins, in exchange for English coins; "and he furnished merchants, strangers, coming "into the kingdom, with the English coins, in "exchange for foreign coins: this officer had "his deputies in many of the out-ports and "principal cities of the kingdom: a consider- "able profit was made by this practice, of "which the king is said to have had his share. "When gold coins were exchanged for silver "coins, a silver penny of that time was taken "for the exchange of each gold noble, being

" the largest gold coin then in currency, and in " like proportion for smaller gold coins; and when " silver coins were exchanged for gold coins, a " silver penny of that time was given for each " gold noble received in exchange for them, and " in like proportion for smaller coins; and the " exchanger is said to have gained thereby 1¼ " per cent. When this officer exchanged foreign " coins for English, or English for foreign, the " exchange was regulated by a table, hnng up " in each of his offices. The last person that " was appointed to the office of king's exchan- " ger, was the Earl of Holland, in the third " year of Charles the First." Lord Liverpool, . 213-4.

It must be admitted, that an office of the nature here described would be a great public convenience, and would powerfully tend to preserve the gold currency in that degree of perfection which is so essential to the prosperous course of the country. The increased facility of the operations of the new mint, by which the light money could speedily be re-coined, would render a large capital unnecessary; and if the government adopt any of the foregoing regulations of the exchanger's office, in respect to foreigners, it may defray the interest of the capital employed. This tax on foreigners should

not, however, exceed the expense which they are subjected to in disposing of their coins to a goldsmith, who has his reasonable profit by the transaction.

In a preceding Chapter, it has been proved, that in point of practice, coins of gold have been the exclusive standard measure of property in this country since 1717, not only in our intercourse with one another, but with foreign nations. During this period, silver coins have acted in the same subordinate situation in relation to gold coins, as copper coins have in relation to silver. In point of law, however, the silver coins were equally a legal tender with those of gold, and continued so until 1774, when an act was passed declaring silver a legal tender to the amount of £25 only, except by weight.*

The late Lord Liverpool has at considerable length, in his letter to the King, stated the evils

* Although this Act of Parliament prohibits an individual from paying a debt in silver currency *by tale* beyond 25*l.*, he can, notwithstanding, pay to any amount, provided he does it by weight, at the rate of 5*s.* 2*d.* for each ounce of silver; this law, therefore, cannot prevent silver from becoming the standard of our money, when it is the interest of individuals to pay in silver rather than in gold.

The clause of the Act here alluded to is as follows: "That "no tender in payment of money made in the silver coin of "this realm, of any sum exceeding the sum of twenty-five

which arise from a nation having two standards of money, each legal tender, and enforces the propriety of declaring by law, that silver should only pass in exchange for the guinea, as copper now does for silver.

It will be unnecessary here to enter into a detail of the particulars stated by his Lordship: it is sufficient for our purpose, that the practice of nearly a century justifies the sanction of a practice by law, which has so long obtained, but under heavy disadvantages without law.*

It will appear, from the principles laid down in the foregoing Chapters, that a seignorage upon the coins constituting the principal mea-

" pounds at any one time, shall be reputed in law, or allowed " to be legal tender within Great Britain or Ireland, for more " than according to its value by weight, after the rate of 5*s.* 2*d.* " for each ounce of silver."

* Every necessary measure should now be adopted to prevent silver becoming again the standard of our money; if it were, great injustice would be done to every person who had acquired property; it being acquired in reference to gold being the standard. It appears from the Tables in the Appendix, that the average relative value of gold and silver have been for the last year fully as 1 to 16; the mint proportion are as 1 to 15.07. If silver, therefore, was allowed to become the standard of our money, it will appear evident that no individual who owed an ounce of gold, or 3*l.* 17*s.* 10½*d.* would discharge his debt with that ounce, he would avail himself of the cheapness of silver, and with his 3*l.* 17*s.* 10½*d.* of gold, purchase 16 ounces of silver, which, if coined at the rate of 5*s.* 2*d.* per ounce, being the mint price of silver, would pro-

sure of property is altogether arbitrary. For example, if the Legislature of Great Britain enacted, that five per cent. should be the amount of seignorage levied on our gold coins, the government would here derive a considerable profit, but it would be only nominal; the price of all commodities would assume a price relative to the value of the metal contained in the coins, in the same way as if no seignorage had been taken. In fact, every individual would have to pay in his usual money transactions one-

duce 4*l*. 2*s*. 8*d*. and with 3*l*. 17*s*. 10½*d*. of that sum, he could, and certainly would, discharge his debt, making a profit thereby of 4*s*. 9½*d*. or 6*l*. 3*s*. 0½*d*. per cent. so that every individual who discharged a debt in this manner, would save 6*l*. 3*s*. 0½*d*. while the creditor would be defrauded to the same amount.

If the present market relative value of gold and silver should become permanent, and our currency restored to that state in which it was previous to 1797, (and the act annulled prohibiting the coinage of silver at the mint, and its great scarcity will render this necessary sooner or later) silver would unquestionably become the standard of our currency, and the public creditor defrauded to the extent here described; silver only would be brought to the mint to be coined, and as the ounce of gold would be worth 4*l*. 2*s*. 8*d*. in silver, all the coins would be melted and exported for the profit attending the high market price of gold.

The necessity and justice, therefore, of declaring, by a specific Act of Parliament, gold to be the only standard of our money, and silver a legal tender to the amount of a guinea only, must appear obvious; and it is to be hoped the importance of this measure will not escape the attention of the legislature.

twentieth more in the new coins, than he would have had to pay in the old. The rates of exchange would be subject to similar laws, and if computed in the old coins would appear against us to the amount of the seignorage. Notwithstanding this principle, it has been usual in the mints of other countries to levy a seignorage on the coins which are the measure of value. Generally this seignorage was only sufficient to pay the actual expense incurred in coining. In the regulations respecting the French coinage, passed in the year 1803, as detailed in the Moniteur, it was enacted, that no charge was to be made for coining, but the actual expense incurred.* If the mere expense of coining were deducted from our gold coins, which amounts to about fifteen shillings per cent. the rise in the price of commodities, and the variation in the rate of exchange, would be so trifling as not to be an obstacle of serious magnitude to the adoption of the principle. The purity, however, and perfection of the gold money of the British mint has been so long, and so justly

* It is also enacted, in the French mint, that the importers of bullion shall pay the expense of refining that portion which is necessary to bring the whole to the standard of the money.

At his Majesty's mint this charge is defrayed by the public, and is frequently *a very* serious expense, sometimes amounting to a fourth, fifth, or sixth part of the whole charge of coinage.

celebrated, that any alteration should be avoided if possible; and if it is an object to the Government, that the importer of gold to the mint should pay the expense of coining, it may be done without making any alteration whatever in the coins.

It appears from the Tables of the prices of gold in the Appendix that the Bank from 1777 to 1797, could purchase gold at £3 17 6 per ounce—this cannot be properly called the market price of that metal; if the bullion merchant had brought his gold to the mint to be coined, he must have waited some time until it was manufactured; it, therefore, became a matter of calculation with him, whether he should sell it to the Bank at £3 17 6, or wait the process of coining, and receive £3 17 10½. The Bank, on the other hand, from her great command of capital, and from the delay at the mint, which was a certain expense to her by loss of interest, would not give more than £3 17 6 per ounce; and it would be but reasonable to suppose, that the Bank would derive some little advantage by this use of her capital.

If the following plan was adopted at the mint, a fund would be created which would pay, if not the whole, at least the greater part of the expense of coining our gold money, and

without diminishing the weight, or purity of the coins.

Let the Legislature enact, that every importer of bullion to the mint shall receive, on delivering the same, at the rate of £3 17 6 per ounce for standard gold; the mint would derive a seignorage, or profit of 4½d. per ounce, which is nearly ten shillings per cent. The interest of the capital employed under this regulation, would be very trifling from the great facility of coining at the new mint. This seignorage or profit, together with some other small advantages, which the importers of gold have derived, would be nearly equal to the expense of coinage.

A particular advantage would be enjoyed even from so small a seignorage, by diminishing that speculation in the exportation of our gold coins, which so frequently takes place, when the rates of exchange make it a profitable transaction—these coins having hitherto been replaced at the expense of Government.

CHAPTER XIII.

Observations on the principle by which our silver coins have been fabricated; a plan of a re-coinage for preserving the silver currency in a state of uniformity and perfection.

THIS country has hitherto been peculiarly unfortunate in her attempts to retain a sufficient quantity of silver in the state of coins. The great re-coinage which took place in the reign of King William, was executed according to the present mint price of silver, which is at the rate of 5s. 2d. per ounce, or 62s. to the pound weight troy. On the completion of the re-coinage, which is said to have cost about three millions sterling, the market price of silver kept superior to its mint price, thereby holding out a considerable temptation to melt and export the coins, so that, in a few years, the greater part of them disappeared from circulation. The growing debasement of the silver coins, which at this period were deemed the principal measure of property, led to the proclamation in

1717, which I have already mentioned; declaring gold coins a legal tender, at the rate of 21s. to the guinea. From this period to the reformation of the gold coins, in 1773, the average market price of silver was more than five per cent. above its mint price, which prevented any considerable re-coinage from being executed at the mint. After the re-coinage of the gold currency, the price of silver fell somewhat nearer to its mint price, so that on an average of twenty-four years, from 1773 to 1797, its price was 5s. 3¼d. per ounce, or about two per cent. above its mint price. This continued superiority of the market, was sufficient to prevent any coinage from taking place, and has been the cause of the great debasement which has ensued in our silver currency.

During the twenty-four years here mentioned, our gold coins were in a state of great perfection, and should have purchased silver bullion at the mint price, provided its relative proportion to gold had been correctly fixed. It appears, however, that silver could not be purchased but at 1¼d. per ounce above its mint price, which renders the relative value of standard gold to standard silver as $14\frac{7}{10}$ to 1. The mint proportions are as 15.07 to 1. It appears, therefore, that the relative value of gold to silver is erroneously fixed at the British mint, and if a silver coinage was executed on the pre-

sent principle of 5s. 2d. per ounce, it would be more valuable than the average price of silver in the market by two per cent. This is supposing that the Restriction Bill is repealed, and the country in possession of a gold currency as perfect as it was from 1777 to 1797, and the relative value of gold and silver the same.

It would appear from these facts, that before any re-coinage of silver can take place in this country, some alteration must be made in the principle, by which the coins have hitherto been fabricated.

The inconvenience which the country has hitherto experienced from the scarcity of silver coins, renders it desirable that some plan should be adopted, by which that inconvenience might be remedied. It is my intention here to propose a plan for this purpose; but, before entering into the particulars of it, it becomes necessary to consider the principle on which it ought to be executed, that the country may enjoy the advantages of a perfect currency, with the least possible expense.

I have already stated the principle which regulates the amount of seignorage on our gold coins. In respect to silver, the seignorage is not limited by the same law, but may be extended with propriety beyond the expense of

coinage. In fact, the expense of coinage would not give that security to the silver coins which may be necessary to retain them in the country. Silver being an article of more universal employment as a commodity than gold, is subject to greater fluctuations in price; and, although at the expiration of a term of years, it may not exceed its mint price above two per cent. yet it is found, from experience, to rise from five to twelve per cent. above its mint price.* The price of silver is also affected by the perfect or imperfect state of the gold coins, and from both causes is liable to considerable changes. In some instances, since the Restriction Bill passed, silver has risen as high as 6s. per ounce, which is fifteen per cent. above its mint price. That this would not be the case, if the currency was restored to that state in which it existed from 1773 to 1797, appears evident from its average price not exceeding 5s. 3¼d. during that period.

To guard, therefore, against all hazard of melting the coin, the seignorage ought to be ten per cent. above the average price in question; were it less, past experience shows the possibility of a case existing, in which a profit would be made by melting the coin.

* Lord Liverpool on the coins of the realm, p. 150.

It is not sufficient protection, as was proposed by Lord Liverpool, to make the seignorage equal only to the expense of coinage, which might be about 2¼ per cent. Besides, the additional 7¼ per cent. would supply a fund to meet the deterioration of the coin.

It is a matter of difficulty to fix what quantity of silver currency is requisite for the wants of the country. At present, it is supposed, there are only three millions in circulation; but this is evidently quite inadequate, as appears from the quantity of shilling, half-crown, and crown Bank notes, which from time to time have been in circulation, and the otherwise general complaint of scarcity of silver coins.

The amount issued at the recoinage in King William's time is, perhaps, not a proper criterion to judge by. The situation of the country has considerably altered; our population and trade have greatly increased; but as all great payments have been made in gold, or in Bank notes, the quantity of silver currency wanted, it being so for the subordinate office of change solely, may upon the whole be less now than formerly. Without naming any specific sum, as an adequate supply for the wants of Great Britain and Ireland, on the plan about to be proposed, we may assume, as the supposed demand, a currency of five

millions, supposing that less would not be a sufficient supply.*

If we suppose then, that a recoinage of silver is to take place; that silver in place of the mint price of 5s. 2d. per oz. shall be rated at 5s. 3¼d. the average price of the 24 years before-mentioned, or at the rate of 5s. 4d. to avoid the inconvenience of fractions; and that a seignorage of 10 per cent. is to be imposed, the plan in contemplation would be, with a currency of five millions, that there should be coined at the mint half a million yearly, for ten successive years.

The following table will shew the operation of the seignorage during that period.

* As an excess of silver currency would be attended with great inconvenience, and loss of capital to those in whose hands the superabundance might become fixed, it is necessary to remark, that by the plan here proposed, this excess could not in any great degree take place. As all demands would be made at the mint, no more would be issued than demanded. But to prevent the possibility of any such inconvenience, let it be enacted, among the regulations of the Exchanger's Office, that every individual shall have the privilege of exchanging his silver coins for gold; and if gold is declared by law to be the standard of our money, this convenience ought to be afforded to the public.

A Table of Seignorage upon Coinage of Silver, at 10 *per Cent.*

	Amount paid for coining ½ million at 2½ per cent. *	Amount of seignorage on £500,000 at 10 per cent.	Amount of surplus on each yearly coinage.	Amount of collective interest on each yearly surplus.	Total.
First Year		50,000			
Deduct for coinage 2½	12,500	12,500	37,500		37,500
Second Year		50,000			
Deduct for coinage	12,500	12,500	37,500	1,875	39,375
Third Year		50,000			
Deduct for coinage	12,500	12,500	37,500	3,843.75	41,343.75
Fourth Year		50,000			
Deduct for coinage	12,500	12,500	37,500	5,910.93	43,410.93
Fifth Year		50,000			
Deduct for coinage	12,500	12,500	37,500	8,081.48	45,581.48
Sixth Year		50,000			
Deduct for coinage	12,500	12,500	37,500	10,360.55	47,860.55
Seventh Year		50,000			
Deduct for coinage	12,500	12,500	37,500	12,753.58	50,253.58
Eighth Year		50,000			
Deduct for coinage	12,500	12,500	37,500	15,266.36	52,766.36
Ninth Year		50,000			
Deduct for coinage	12,500	12,500	37,500	17,904.32	55,404.32
Tenth Year		50,000			
Deduct for coinage	12,500	12,500	37,500	20,674.55	58,174.55
	125,000		375,000	96,670.52	471,670.52

* 2½ per cent. is assumed as the expense of coinage, not with any reference to what the real charge may be, but from its rendering the calculation more distinct.

At the end of ten years, that is to say, when the 10th half million has been one year in circulation, the clear amount of the seignorage fund would be £471,670.

According to experiments made at the mint on the wear of our silver currency, (as quoted by Lord Liverpool,) it was found that the silver coins of King William's reign had lost about 25 per cent. in a century, which is at the rate of 2¼ per cent. every ten years. A silver currency already debased 10 per cent. by a seignorage, should be suffered to receive as little debasement from wear as possible. It may therefore be proper to recall it from circulation when it may have undergone a debasement of 2½ per cent. as no law contributes more to the security of the public against base money, than the newness and uniformity of the coins.

According, therefore, to our plan, supposing for example that the first issue of half a million took place in 1810, each coin bearing that date, another in 1811, another in 1812, &c. &c. until the whole ten half millions were issued, when the half million, first issued, has been in circulation ten years, it is recalled by proclamation, and exchanged for an equal quantity of new coin, bearing date 1820, every annual issue bearing the date of the year in which it was coined. The issue and recall pre-supposes an

eleventh half million coined, to be exchanged for the half million just recalled.

The expenses attending this recall and issue would be—loss by wear on the half million recalled, at 2½ per cent.	12,500
Cost of coining the new half million in exchange, at 2½ per cent. ..	12,500
Together	25,000

This expense to be defrayed as follows:

A year's interest on the seignorage fund say	23,750	
Part of the half million in circulation may have been lost, and of course not being presented for exchange, there will be no occasion to make good the loss by wear on that part. Suppose it to be a twentieth, or £25,000, the sum saved on this, at 2½ per cent. would be	625	
Expense of re-coinage saved on that amount at 2½ per cent.....	625	
Together		25,000

Not that less than half a million would be issued of the new coins, but that 25,000 of this new half million not being wanted for the

purpose of replacement, the expense of its coinage does not apply to this account.

It is proposed, that the deficiency on the half million recalled should be replaced by the importers of bullion, and should also bear a seignorage of 10 per cent.

Next year, the second half million issued might be replaced in the same manner, and the yearly routine of recalling half a million of coin ten years old, and re-issuing another half million of new coin, might go on, *ad infinitum*, without calling on the public revenue for a shilling towards defraying the expense.

The eleventh half million necessary to complete this plan, would have a clear surplus of £37,500, it bearing also a seignorage of 10 per cent. The interest on this sum added to the seignorage on the annual supplies, which are estimated at £25,000, will constitute a fund of £4,375 per annum, which may be applied to defray part of the expenses of the mint establishment.

The seignorage fund would probably be invested in the funds, under the management of public commissioners appointed by Government.

The principal advantages resulting from the adoption of such a plan would be:

1. The great public saving on the score of coinage.

2. The abundant stock of silver currency in a state which would be very difficult to counterfeit.

3. Steadiness in the price of silver bullion, as, instead of the present uncertainty of demand for coin, the quantity wanted would be defined, and after the first ten years would probably be insignificant, perhaps from £25,000 to £50,000 per annum.

4. Regularity in the employment of the officers and workmen at the mint. Hitherto their employment has consisted of great temporary exertions, with long intervals of inactivity. During these intervals, their time and attention have been directed to other occupations. Such alternations are evidently unfavorable to the proper management of the establishment. How much more expensive would a large manufacture be if conducted in this manner, than by that even course which adapts supply to demand.

Let us now proceed to anticipate some of the objections that are likely to be made to this plan.

It may be urged that, were the old coins to remain partially in circulation after the issue of the new, frauds might be practised by filing down the new coins to the reduced state of the old, and that if it be determined to recall the whole of the old coins at once, the half million or million proposed to be issued in the first in-

stance, would be a very inadequate substitute. The better plan might be to ascertain, if possible, the present amount of silver coin in circulation, to get ready a correspondent quantity of new coin, to make arrangements for the issue of the new at the same time in different parts of the empire, to prohibit the circulation of the old by proclamation, and to enjoin its speedy transmission to the mint for the purpose of exchange. This plan it would be advisable to follow, although the first year's issue might in consequence be much above a million.

It may be objected also, that the amount of the seignorage would give encouragement to counterfeiting. It is important to remark, that there are two classes of counterfeiters. One class prepares blanks of copper, or of some other inferior metal, which they face or case with silver or gold leaf of considerable thickness, and afterwards stamp. The other fabricate coin in the way practised at the mint, but with inferior metal. Guineas have been couterfeited in this manner, and are in intrinsic value about 17s. 6d. They are nearly of the weight of the standard guinea, and afford a profit of about 16 per cent. The former class would not be benefited by the imposition of a seignorage: the second would certainly have a considerable advantage by it. However, if guineas chiefly have been forged by

this class, the objection does not apply so much to this argument which regards silver. To answer all such objections, it is perhaps sufficient to observe, that the law should be made more explicit and effectual, it being impossible to stop such frauds, under any system of coinage, so long as the law continues in its present vague and inoperative state.

It may be objected, that a currency, on which a seignorage has been taken, may fall in value below the denomination at which it was issued. The answer is plain; no such depreciation has taken place in consequence of the seignorage of foreign countries, nor has any taken place in our own, although our silver currency has been degraded about 25 per cent. for half a century.

Finally, it may be objected that it would be difficult to recall the whole of the annual issue from circulation, and that part will remain out through the ignorance or inattention of the holders. The plan would be to give in the first place every facility to the exchange of new coin for old, appointing agents in every considerable town for that purpose, proclaiming a limited time, perhaps a month, for the completion of the proposed exchange, after which time it should cease to be current, and be receivable only on the part of the mint at its intrinsic value. The negligence of the holders would thus be punished with a fine

of 12½ per cent., namely, 10 per cent. seignorage, and 2½ per cent. wear. The agents for the exchange might be the country Bankers, and their number, as well as the length of time allowed, would admit of each piece being weighed at the time of exchange, which would be a great security, counterfeits being considerably lighter than the lawful coin. As to the expense of this agency, it would be small, and it may be fairly looked on as provided for by the above-mentioned bonus of 12½ per cent. on the part omitted to be sent within the time.

APPENDIX.

THE following Tables contain the market prices of standard gold and silver, shewing their relative proportions to each other; with the par and course of exchange, shewing the per centage in favour and against London; also the per centage above and below the mint price of gold, from the 1st day of January 1760 to the 1st day of March 1810, both days inclusive; also a quarterly account of Bank of England notes in circulation since 1790, taken from the accounts laid before the committee of secrecy, and from the annual statements laid before the House of Commons.

N. B. The notes under five pounds are included. The prices of gold and silver, and the courses of exchange, have been extracted from Lloyd's lists. The first number, published every two months, has been selected and continued throughout the whole of the tables.

In the calculations in these Tables, gold has been made choice of as being the principal measure of property, agreeably to the principles laid down in the foregoing Enquiry. They concur in proving, that a debased currency has the effect of raising the price of gold above its mint price—they also concur in a remarkable manner in proving the invariability of the mint price of gold, to which important fact the reader's attention is requested; it is also particularly requested to the effect which the operation of the Bank Restriction Bill has had on the price of gold, and to the actual amount of discount now existing on Bank notes in consequence.

In the first edition of this work I stated the par of exchange with Hamburgh at 33 schillings and 8 grotes, and at that considered it as a fixed par; from the best information which I have been able to obtain upon 'Change since, 34 11¼ are considered as the par, and in the present edition I have stated it as such. I have also corrected the mistake of considering the par to be fixed; because gold being the standard of the money of England, and silver in Hamburgh, there can be no fixed par between those two countries, it will be subject to all the variations which take place in the relative value of gold and silver. For example, if 34 schillings, 11 grotes and a ¼, of Hamburgh currency be equal in value to a pound sterling, or $\frac{20}{21}$ of a guinea, when silver is 5s. 2d. per oz. they can no longer be so when silver falls to 5s. 1d. or 5s. per oz, because a pound sterling in gold being then worth more silver is also worth more Hamburgh currency.

To find the real par, therefore, we must ascertain what was the relative value of gold and silver when the par was fixed at 34 11¼, and what is the relative value at the time we wish to calculate it.

For example, if the price of standard gold was £3 17 10½ per oz. and silver 5s. 2d. an ounce of gold would then be worth 15.07 ounces of silver, being the mint proportions, 20 of our standard shillings would then contain as much pure silver as 34 schillings, 11 grotes and a ¼; but if the ounce of gold was £3 17 10½ and silver 5s. (which it was on the 2d January, 1798) the ounce of gold would then be worth 15.57 ounces of silver. If £1 sterling at par, therefore, be worth 15.07 ounces of silver, then at 15.57 it would be at 3 per cent. premium, and 3 per cent. premium on 34 11¼ is 1 schilling, 1 grot and $\frac{9}{10}$, so that the par when gold is to silver as 15.57 to 1 will be 36 schillings, 1 grot and $\frac{1}{10}$.

The above calculation will be more easily made by stating as follows:

As 15.07 : 34.11¼ :: 15.57 : 36. 1$\frac{1}{10}$.

These Tables satisfactorily prove, that the rate of exchange cannot exceed the expense of transmitting the precious metals from one country to another. From 1777 to 1797, the period in which we possessed a perfect curreney, the yearly average rate of exchange with Hamburgh never exceeded 5 per cent. on either side of the water.

A comparison of the rates of exchange, from 1760 to 1777, and from 1777 to 1797, will prove the truth of the principle, that a debased currency has the effect of causing an unfavorable exchange.

The reader is requested to pay particular attention to the state of the exchange with Paris during the years 1792 and 3, when from a depreciated currency, caused by an excessive issue of assignats, the exchange was upwards of 85 per cent. in favour of London, even at that early period of the depreciation of French paper. See Appendix, No. 2.

Appendix, No. 3, contains a monthly account of the state of the exchange with Paris, from the 3d day of January, 1809, to the 6th day of March, 1810.

A comparison of the rates of exchange with Hamburgh since the Bank Restriction Bill, with the rates of an equal number of years previous to that period, will sufficiently prove, that our currency is depreciated, that its influence on the rates of exchange accords with the principles laid down in the foregoing Enquiry. The present state of the exchange with Hamburgh and Paris, and the market price of gold, are without precedent in these Tables, and can be accounted for upon no other principle than that of a depreciated circulating medium.

A Table of the Market Prices of Standard Gold and Silver, shewing their relative proportions to each other; with the par and course of Exchange between London and Hamburgh, shewing the per centage in favour and against London; also the per centage above and below the mint price of gold, from 1760 inclusive: extracted from Lloyd's Lists, first number every two months.

		Price of standard gold per oz.	Price of standard silver per oz.	Their relative proportions to each other.	Par of exchange with Hamburgh.	Course of exchange with Hamburgh.	Per centage in favour of London.	Per centage against London.	Per centage above the mint price of gold.	Per centage below the mint price of gold.
1760	Jan. 1	3 18 6	0 5 6½	14.16to1	32. 9.9-10th.	36. 4	10.6-10th.		0 16 0½	
	March 4	3 18 9	0 5 6½	14.21 1	33.11.3	36. 1	10.		1 2 5½	
	May 2	3 19 1	0 5 6	14.37 1	33. 3.7	35. 6	6.5		1 11 0½	
	July 1	3 19 0	0 5 6½	14-28 1	33. 1.2	32. 6		1·9-10th.	1 8 10½	
	Sept. 2	4 0 1	0 5 7¼	14.45 1	33. 6.0	32. 2		4	2 16 8½	
	Nov. 4	3 19 4	0 5 7¼	14.05 1	32. 7.5	31. 8		3	1 17 5½	
1	Jan. 2	3 18 10	0 5 8½	13.81 1	32. 0.1	32. 0		0.1	1 4 7¼	
	March 3	3 19 8	0 5 8½	13.90 1	32. 2.6	32. 3	0.1		2 6 0	
	May 1	4 0 0	0 5 9½	13.81 1	32. 0.1	32. 2	0.4		2 14 6¼	
	July 3	4 0 6	0 5 9	14. 1	32. 5.4	31.11		1.4	3 7 5	
	Sept. 1	4 0 6	0 5 7⅝	14.27 1	33. 0.9	32. 5		2	3 7 5	
	Nov. 3	3 19 4	0 5 7⅛	14.18 1	32.10.4	33. 0	0.4		1 17 5¼	
2	Jan. 1	3 19 0	0 5 6¼	14.30 1	33. 1.8	32.11		2.0	1 8 10½	
	March 2	3 18 9	0 5 8½	13.79 1	31.11.6	33. 9	5.5		1 2 5½	
	May 4	3 19 3	0 5 7½	14.09 1	32. 7.9	34. 3	4.8		1 15 3¼	
	July 2	3 19 10	0 5 6	14.50 1	33. 7.3	34. 8	3.1		2 10 3½	
	Sept. 3	3 19 4	0 5 5	14.64 1	33.11.2	35. 0	3.6		1 17 5¼	
	Nov. 2	3 18 10	0 5 4¾	14.61 1	33.10.4	35. 1	3.5		1 4 7¼	
3	Jan. 4	4 0 0	0 5 5¼	14.60 1	33.10.1	34. 2	0.9		2 14 6¼	
	March 1	4 0 6	0 5 5	14.86 1	34. 5.4	33.11		2.1	3 7 5	
	May 3	4 1 3	0 5 8	14.33 1	33. 2.6	34. 2	2.7		4 6 8	
	July 1	4 0 6	0 5 6¼	14.58 1	33. 9.6	34. 3	1.3		3 7 5	
	Sept. 2	4 1 6	0 5 6	14.81 1	34. 4.0	34. 7	0.7		4 13 1¾	
	Nov. 1	3 18 9	0 5 5	14.53 1	33. 8.2	34.11	3.6		1 2 5½	
4	Jan. 3	3 18 3	0 5 4½	14.55 1	33. 8.7	34. 5	1.9		0 9 7½	
	March 2	3 18 3	0 5 3½	14.78 1	34. 3.1	35. 2	2.6		0 9 7½	
	May 1	3 18 3	0 5 3½	14.78 1	34. 3.1	34.11	1.1		0 9 7½	
	July 3	3 18 3	0 5 3½	14.78 1	34. 3.1	35. 1	2.4		0 9 7½	
	Sept. 4	3 18 0	0 5 3½	14.74 1	34. 2.0	35. 0	2.4		0 3 2½	
	Nov. 2	3 18 0	0 5 3½	14.74 1	34. 2.0	35. 1	2.6		0 3 2½	

			Price of standard gold per oz.	Price of standard silver per oz.	Their relative proportion to each other.	Par of exchange with Hamburgh.	Course of exchange with Hamburgh.	Per centage in favour of London.	Per centage against London.	Per centage above the mint price of gold.	Per centage below the mint price of gold.
1765	Jan.	1	3 18 0	0 5 3 1/6	14.74 to 1	34. 2.0-10th.	35. 1	2.6-10th.		0 3 2 1/4	
	March	1	3 18 0	0 5 4 1/4	14.56 1	33. 9.0	34.10	3.2		0 3 2 1/2	
	May	3	3 18 0	0 5 4 1/4	14.56 1	33. 9.0	34.11	3.4		0 3 2 1/2	
	July	2	3 18 0	0 5 4 1/4	14.45 1	33. 6.0	34. 9	3.7		0 3 2 1/2	
	Sep.	3	3 18 8	0 5 5	14.52 1	33. 7.9	34. 4	2.0		1 0 3 3/4	
	Nov.	1	3 18 2	0 5 5 3/4	14.26 1	33. 0.6	34. 4	3.7		0 7 5 3/4	
6	Jan.	3	3 18 7	0 5 5 3/4	14.34 1	33. 2.9	34. 6	3.7		0 18 2 1/4	
	March	4	3 18 8	0 5 6 1/2	14.19 1	32.10.7	34. 9	3.1		1 0 3 3/4	
	May	2	3 19 2	0 5 6 1/2	14.28 1	33. 1.2	34.11	5.4		1 13 2	
	July	1	3 19 10	0 5 7	14.29 1	33. 1.5	35. 1	5.6		2 10 3 1/2	
	Sep.	2	3 19 0	0 5 7	14.15 1	32. 9.6	35. 3	8.2		1 8 10 1/2	
	Nov.	4	3 19 0	0 5 7 1/4	14.09 1	32. 7.9	35. 8	8.7		1 8 10 1/2	
7	Jan.	2	3 19 3	0 5 7 1/4	14.14 1	32. 9.3	35. 6	8.3		1 15 3 3/4	
	March	3	3 19 4	0 5 7	14.20 1	32.11.	35. 8	8.3		1 17 5 1/4	
	May	1	3 19 10	0 5 7 1/2	14.19 1	32.10.7	35.10	8.9		2 10 3 1/2	
	July	3	3 19 8	0 5 6 1/4	14.32 1	33. 2.3	35. 8	7.4		2 6 0	
	Sep.	1	3 19 5	0 5 6 1/2	14.33 1	33. 2.6	35.11	8.1		1 19 7	
	Nov.	3	3 19 5	0 5 6 1/4	14.38 1	33. 3.10	35. 6	6.5		1 19 7	
8	Jan.	1	3 18 8	0 5 5 1/2	14.41 1	33. 4.8	34.11	4.4		1 0 3 3/4	
	March	1	3 18 9	0 5 5 1/4	14.37 1	33. 3.7	34. 4	3.0		1 2 5 1/2	
	May	3	3 19 1	0 5 6 1/2	14.27 1	33. 0.9	34. 8	4.8		1 11 0 1/4	
	July	1	3 19 6	0 5 6	14.45 1	33. 6.0	34. 7	3.2		2 1 8 3/4	
	Sep.	2	3 19 6	0 5 6 1/4	14.40 1	33. 4.6	34. 5	3.0		2 1 8 3/4	
	Nov.	1	3 19 5	0 5 6 1/2	14.33 1	33. 2.6	33. 6	0.8		1 19 7	
9	Jan.	3	3 19 7	0 5 7	14.37 1	33. 3.7	33. 2		0.5	2 3 10 1/4	
	March	3	3 19 9	0 5 6 3/4	14.33 1	33. 2.6	33. 4	0.3		2 8 1 3/4	
	May	2	4 0 3	0 5 7	14.52 1	33. 2.3	33. 8	1.4		3 1 0	
	July	4	4 0 8	0 5 7	14.44 1	33. 5.7	33. 6		0.07	3 11 8 1/4	
	Sep.	1	4 0 4	0 5 7 1/2	14.28 1	33. 1.2	33. 6	1.2		3 3 1 1/2	
	Nov.	3	4 0 6	0 5 7 1/4	14.25 1	33. 0.4	33. 1	0.1		3 7 5	

		Price of standard gold per oz.	Price of standard silver per oz.	Their relative proportions to each other.	Par of exchange with Hamburgh.	Course of exchange with Hamburgh.	Per centage in favour of London.	Per centage against London.	Per centage above the mint price of gold.	Per centage below the mint price of gold.
1770	Jan. 2	4 0 6	0 5 7 3/8	14.25 to 1	33. 0.4-10th.	33. 2	0.4-10th.		3 7 5	
	March 2	4 0 4	0 5 7 3/4	14.22 1	32.11.5	33. 2	0.6		3 3 1 1/2	
	May 1	4 0 4	0 5 8	14.17 1	32.10.1	33. 3	1.3		3 3 1 1/2	
	July 3	4 0 2	0 5 8	14.11 1	32. 8.5	33. 4	1.9		2 18 10 1/2	
	Sept. 4	4 0 0	0 5 6 1/8	14.43 1	33. 5.4	33. 2		0.1-10th.	2 14 6 1/4	
	Nov. 2	3 19 6	0 5 7 1/8	14.15 1	32. 9.6	33. 5	1.8		2 1 8 3/4	
1	Jan. 1	3 18 9	0 5 7	14.10 1	32. 8.2	33. 8	3.5		1 2 5 1/2	
	March 1	3 18 10	0 5 7 1/2	14. 0 1	32. 5.4	33. 9	4.		1 4 7 1/4	
	May 3	3 19 2	0 5 7 3/4	14. 2 1	32. 6.0	33. 6	1.5		1 13 2	
	July 2	3 19 9	0 5 7 1/4	14.23 1	32.11.8	33.	0.05		2 8 1 3/4	
	Sept. 3	4 0 8	0 5 7 1/4	14.39 1	33. 4.3	32.11		1.4	3 11 8 1/4	
	Nov. 1	4 0 7	0 5 7 1/2	14.32 1	33. 2.3	32. 9		1.4	3 9 6 1/2	
2	Jan. 3	4 1 0	0 5 7 3/4	14.34 1	33. 2.9	32. 7		2.0	4 0 3	
	March 3	4 1 0	0 5 8	14.29 1	33. 1.5	32.11		0.7	4 0 3	
	May 1	4 0 9	0 5 8 1/4	14.19 1	32.10.7	32.10		0.2	3 13 10	
	July 3	4 0 0	0 5 8 1/4	14. 6 1	32. 7.	33. 4	2.3		2 14 6 1/2	
	Sept. 1	3 19 0	0 5 5	14.58 1	33. 9.6	33. 5		1.2	1 8 10 1/2	
	Nov. 3	3 18 0	0 5 5 1/2	14.28 1	33. 1.2	33. 8	1.7		0 3 2 1/2	
2	Jan. 5	3 18 0	0 5 4 1/2	14.51 1	33. 7.5	34.	1.1		0 3 2 1/2	
	March 2	3 18 0	0 5 4 1/4	14.45 1	33. 6.	35.	4.5		0 3 2 1/2	
	May 4	3 17 11	0 5 4	14.60 1	33.10.1	34. 9	2.6		0 1 0 1/4	
	July 2	3 17 9	0 5 3 1/2	14.69 1	34. 0.1	34.11	2.6			0 3 2 1/2
	Sept. 3	3 17 9	0 5 3 1/2	14.69 1	34. 0.1	34. 8	1.9			0 3 2 1/2
	Nov. 2	3 17 9	0 5 3 1/4	14.75 1	34. 2.3	34. 9	1.6			0 3 2 1/2
4	Jan. 4	3 17 9	0 5 2 1/2	14.92 1	34. 7.	34. 9	0.4			0 3 2 1/2
	March 1	3 17 9	0 5 2 1/2	14.92 1	34. 7.	34.10	0.7			0 3 2 1/2
	May 3	3 17 9	0 5 3 3/4	14.63 1	33.11.	34. 7	1.9			0 3 2 1/2
	July 1	3 17 9	0 5 2 1/4	14.98 1	34. 8.7	34. 9	0.07			0 3 2 1/2
	Sept. 2	3 17 7	0 5 3	14.77 1	34. 2.8	34. 5	0.5			0 7 5 1/4
	Nov. 1	3 17 7	0 5 4	14.54 1	33. 8.5	34. 2	1.1			0 7 5 1/4

		Price of standard gold per oz.	Price of standard silver per oz.	Their relative proportions to each other.	Par of exchange with Hamburgh.	Course of exchange with Hamburgh.	Per centage in favour of London.	Per centage against London.	Per centage above the mint price of gold.	Per centage below the mint price of gold.
1775	Jan. 3	3 17 7	0 5 4	14.54 to 1	33. 8.5-10th.	34. 3	1.6-10th.			0 7 5¼
	March 3	3 17 7	0 5 4½	14.43 1	33. 5.4	34. 5	2.8			0 7 5½
	May 2	3 17 7	0 5 5	14.32 1	33. 2.3	34. 4	3.4			0 7 5¾
	July 4	3 17 7	0 5 4¼	14.49 1	33. 7.1	34. 5	2.4			0 7 5½
	Sept. 1	3 17 7	0 5 3½	14.66 1	34. 0.6	34. 4	0.8			0 7 5¼
	Nov. 3	3 17 7	0 5 4¼	14.49 1	33. 7.1	34. 2	1.7			0 7 5½
6	Jan. 5	3 17 7	0 5 4¾	14.37 1	33. 3.7	34. 1	4.8			0 7 5¼
	March 1	3 17 7	0 5 5¼	14.26 1	33. 0.6	33. 9	2.1			0 7 5¾
	May 3	3 17 7	0 5 6	14.10 1	32. 8.2	33. 8	3.			0 7 5¾
	July 2	3 17 7	0 5 5¾	14.16 1	32. 9.9	33. 3	1.3			0 7 5½
	Sept. 3	3 17 7	0 5 5½	14.21 1	32.11.3	33. 5	1.4			0 7 5¾
	Nov. 1	3 17 7	0 5 5¼	14.26 1	33. 0.6	33. 1	0.1			0 7 5½
7	Jan. 3	3 17 7	0 5 7½	13.79 1	31.11.6	33. 2	3.7			0 7 5¾
	March 4	3 17 7	0 5 8	13.69 1	31. 9.9	33. 0	3.6			0 7 5½
	May 2	3 17 7	0 5 6¾	13.91 1	32. 2.9	32.10	1.8			0 7 5¾
	July 1	3 17 7	0 5 7½	13.79 1	31.11.6	32. 7	1.8			0 7 5¾
	Sept. 2	3 17 7	0 5 6¼	14.05 1	32. 7.5	32. 2	1.4			0 7 5¾
	Nov. 4	3 17 7	0 5 7¼	13.74 1	31.10.2	32. 1	0.7			0 7 5¾
8	Jan. 2	3 17 7	0 5 9	13.49 1	31. 3.2	32. 4	3.4			0 7 5¾
	March 3	3 17 7	0 5 8½	13.59 1	31. 6.	32. 9	4.			0 7 5¾
	May 1	3 17 7	0 5 5½	14.21 1	32.11.3	34. 2	3.7			0 7 5¾
	July 3	3 17 7	0 5 4½	14.43 1	33. 5.4	34. 7	3.3			0 7 5¾
	Sept. 1	3 17 7	0 5 4½	14.43 1	33. 5.4	34. 5	2.8			0 7 5¾
	Nov. 3	3 17 7	0 5 3¾	14.60 1	33.10.1	34.10	2.9			0 7 5¾
9	Jan. 1	3 17 7	0 5 2	15.01 1	34. 9.5	35. 6	2.9			0 7 5¾
	March 2	3 17 6	0 5 2¾	14.82 1	34. 4.2	35. 8	4.8			0 9 7½
	May 4	3 17 6	0 5 2½	14.88 1	34. 5.9	36. 2	4.8			0 9 7½
	July 2	3 17 6	0 5 3	14.76 1	34. 2.5	35.10	4.7			0 9 7½
	Sept. 3	3 17 6	0 5 4½	14.41 1	33. 4.8	33. 9	1.			0 9 7½
	Nov. 9	3 17 6	0 5 3½	14.64 1	33.11.2	34. 4	1.1			0 9 7½

		Price of standard gold per oz.	Price of standard silver per oz.	Their relative proportions to each other.	Par of exchange with Hamburgh.	Course of exchange with Hamburgh.	Per centage in favour of London.	Per centage against London.	Per centage above the mint price of gold.	Per centage below the mint price of gold.
1780	Jan. 4	3 17 6	0 5 3	14.76 to 1	34. 2.5-10th.	34. 6	0.8-10th.			0 9 7½
	March 3	3 17 6	0 5 2½	14.88 1	34. 5.9	35. 7	3.1			0 9 7½
	May 2	3 17 6	0 5 6	14.09 1	32. 7.9	35. 2	7.6			0 0 7½
	July 4	3 17 6	0 0 0			34. 8				0 9 7½
	Sept. 1	3 17 6	0 5 5¼	14.25 1	33. 0.4	34. 1	3.2			0 9 7½
	Nov. 3	3 17 6	0 5 5	14.30 1	33. 1.8	33.10	2.0			0 9 7½
1	Jan. 2	3 17 6	0 5 5½	14.19 1	32.10.7	34. 1	3.6			0 9 7½
	March 2	3 17 6	0 5 5¾	14.14 1	32. 9.3	33.11	3.4			0 9 7½
	May 1	3 17 6	9 5 7½	13.77 1	31.11	33. 7	5.2			0 9 7½
	July 3	3 17 6	0 5 7⅞	13.70 1	31. 1.1	32. 1	3.1			0 9 7½
	Sept. 4	3 17 6	0 5 8½	13.57 1	31. 5.5	32. 2	2.2			0 9 7½
	Nov. 2	3 17 6	0 5 10	13.28 1	30. 9.4	31.11	3.6			0 9 7½
2	Jan. 1	3 17 6	0 5 9½	13.38 1	31. 0.2	31. 9	2.3			0 9 7½
	March 1	3 17 6	0 5 9½	13.33 1	30.10.8	32.10	6.2			0 9 7½
	May 3	3 17 6	0 5 10¾	13.14 1	30. 4.7	32.11	8.3			0 9 7½
	July 2	3 17 6	0 5 8	13.67 1	31. 8.2	32.11	3.8			0 9 7½
	Sept. 3	3 17 9	0 5 9½	13.42 1	31. 1.3	32. 6	4.4			0 3 2½
	Nov. 1	3 17 9	0 5 11½	13.04 1	30. 2.7	31. 8	4.7			0 3 2½
3	Jan. 3	3 17 9	0 5 8	13.72 1	31. 9.6	32. 7	2.4			0 3 2½
	March 4	3 17 9	0 5 9½	13.42 1	31. 1.3	32. 5	4.2			0 3 2½
	May 2	3 18 0	0 5 10¼	13.32 1	30.10.5	31. 9	2.8		0 3 2½	
	July 1	3 18 0	0 5 10	13.37 1	30.11.9	31. 6	1.6		0 3 2½	
	Sept. 2	3 18 0	0 5 8½	13.66 1	31. 7.9	31. 6		0.5	0 3 2½	
	Nov. 4	3 18 0	0 5 6¼	14.02 1	32. 6	32. 9	0.7		0 3 2½	
4	Jan. 2	3 18 0	0 5 5½	14.29 1	33. 1.5	33. 6	1.1		0 3 2½	
	March 2	3 18 0	0 5 5	14.40 1	33. 4.6	33. 9	1.1		0 3 2½	
	May 4	3 17 10½	0 5 3¼	14.77 1	34. 2.8	34. 4	0.2			
	July 2	3 17 10½	0 5 3⅛	14.74 1	34. 2	34. 4	0.4			
	Sept. 3	3 17 10½	0 5 3¼	14.77 1	34. 2.8	34. 7	1.0			
	Nov. 2	3 17 10½	0 5 2¾	14.89 1	34. 6.2	34. 8	0.4			

		Price of standard gold per oz.	Price of standard silver per oz.	Their relative proportions to each other.	Par of exchange with Hamburgh.	Course of exchange with Hamburgh.	Per centage in favour of London.	Per centage against London.	Per centage above the mint price of gold.	Per centage below the mint price of gold.
1785	Jan. 7	3 17 10½	0 5 2¾	14.89 to 1	34. 6. 2-10th.	35. 0	1.4-10th.			
	March 1	3 17 10½	0 5 2	15.07 1	34.11.25	35. 4	1.1			
	May 3	3 17 10½	0 5 2½	14.95 1	34. 7. 9	34.11	0.7			
	July 1	3 17 9	0 0 0			35. 6				0 3 2½
	Sept. 2	3 17 6	0 5 1½	15.12 1	35. 0. 6	35. 4	0.8			0 9 7½
	Nov. 1	3 17 6	0 5 1½	15.12 1	35. 0. 6	35. 3	0.5			0 9 7½
6	Jan. 3	3 17 6	0 5 2¾	14.82 1	34. 4. 2	34.10	1.1			0 9 7½
	March 3	3 17 6	0 5 3¼	14.70 1	34. 0. 9	34.11	2.4			0 9 7½
	May 2	3 17 6	0 5 3½	14.64 1	33.11. 2	34. 5	1.4			0 9 7½
	July 4	3 17 6	0 5 3¾	14.58 1	33. 9. 6	34. 8	1.3			0 9 7½
	Sept. 1	3 17 6	0 5 3	14.76 1	34. 2. 5	34. 3	0.1			0 9 7½
	Nov. 3	3 17 6	0 5 2¾	14.89 1	34. 6. 2	34. 6		0.1		0 9 7½
7	Jan 2	3 17 6	0 5 2¾	14.89 1	34. 6. 2	34. 5		0.1		0 9 7½
	March 2	3 17 6	0 5 3¼	14.70 1	34. 0. 9	34. 7	4.0			0 9 7½
	May 1	3 17 6	0 5 3¼	14.70 1	34. 0. 9	34. 7	4.0			0 9 7½
	July 3	3 17 6	0 5 3¾	14.58 1	33. 9. 6	34. 8	2.5			0 9 7½
	Sept. 4	3 17 6	0 5 3¾	14.58 1	33. 9. 6	35. 0	3.5			0 9 7½
	Nov. 2	3 17 6	0 5 3¼	14.70 1	34 0. 9	35. 1	2.9			0 9 7½
8	Jan. 1	3 17 6	0 5 3¾	14.58 1	33. 9. 6	35. 1	3.8			0 9 7½
	March 4	3 17 6	0 5 3¾	14.58 1	33. 9. 6	35. 3	4.2			0 9 7½
	May 2	3 17 6	0 5 3¾	14.58 1	33. 9. 6	35. 4	4.5			0 9 7½
	July 1	3 17 6	0 5 3¾	14.58 1	33. 9. 6	35. 1	3.8			0 9 7½
	Sept. 2	3 17 6	0 5 3¾	14.58 1	33. 9. 6	35. 0	3.5			0 9 7½
	Nov. 4	3 17 6	0 5 3¾	14.58 1	33. 9. 6	34. 9	2.8			0 9 7½
9	Jan. 6	3 17 6	0 5 3¾	14.58 1	33. 9. 6	34.10	3.0			0 9 7½
	March 3	3 17 6	0 5 3½	14.64 1	33.11. 2	35. 1	3.1			0 9 7½
	May 1	3 17 6	0 5 3¼	14.70 1	34. 0. 9	35. 6	4.1			0 9 7½
	July 3	3 17 6	0 5 3	14.76 1	34. 2. 5	35. 7	4.0			0 9 7½
	Sept. 1	3 17 6	0 5 2¾	14.89 1	34. 6. 2	35. 5	2.6			0 9 7½
	Nov. 3	3 17 6	0 5 2¾	14.89 1	34. 6. 2	35. 1	1.6			0 9 7½

		Price of standard gold per oz.	Price of standard silver per oz.	Their relative proportion to each other.	Par of exchange with Hamburgh.	Course of exchange with Hamburgh.	Per centage in favour of London.	Per centage against London.	Per centage above the mint price of gold.	Per centage below the mint price of gold.	Amount of Bank of England notes in circulation.
1790	Jan. 29	3 17 6	0 5 2⅓	14.88to1	34. 5.9-10th.	35.	1.4-10th.			0 9 7½	
	March 2	3 17 6	0 5 2⅓	14.88 1	34. 5.9	35. 2	1,9			0 9 7½	10,245,280
	May 4	3 17 6	0 5 3¼	14.70 1	34. 0.9	35. 4	3.7			0 9 7½	11,160,590
	July 2	3 17 6	0 5 3	14.76 1	34. 2.5	35. 7	4.-			0 9 7½	11,348,700
	Sept. 3	3 17 6	0 5 2⅓	14.88 1	34. 5.9	35. 6	2.9			0 9 7½	11,510,270
	Nov. 2	3 17 6	0 5 2⅓	14.88 1	34. 5.9	35. 7	3.1			0 9 7½	11,601,950
1	Jan. 4	3 17 6	0 5 3	14.76 1	34. 2.5	35. 6	3.7			0 9 7½	12,060,620
	March 1	3 17 6	0 5 3	14.76 1	34. 2.5	35.10	4.7			0 9 7½	11,764,680
	May 3	3 17 6	0 5 3¼	14.70 1	34. 0.9	35.11	5.4			0 9 7½	11,225,840
	July 1	3 17 6	0 5 2¾	14.82 1	34. 4.2	35.10	5.1			0 9 7½	11,239,170
	Sept. 2	3 17 6	0 5 2¼	14.94 1	34. 7.6	35. 6	2.5			0 9 7½	11,765,280
	Nov. 1	3 17 6	0 5 3⅓	14.64 1	33.11.2	35. 2	3.6			0 9 7½	11,316 790
2	Jan. 3	3 17 6	0 5 4	14.53 1	33. 8.2	34. 6	2.4			0 9 7½	11,157,040
	March 2	3 17 6	0 5 4⅓	14.41 1	33. 4.8	34. 6	3.2			0 9 7½	11,963,820
	May 1	3 17 6	0 5 5¼	14.25 1	33. 0.4	34. 3	3.7			0 9 7½	12,100,650
	July 3	3 17 6	0 5 6	14.09 1	32. 7.9	34. 5	5.4			0 9 7½	10,938,620
	Sept. 4	3 17 6	0 5 5	14.30 1	33. 1.8	34. 0	2.5			0 9 7½	10,967,310
	Nov. 2	3 17 6	0 0 0			34. 3	0.0			0 9 7½	11,159,720
3	Jan. 1	3 17 6	0 5 4¾	14.36 1	33. 3.4	35. 4	6.1			0 9 7½	10,366,450
	March 1	3 17 6	0 5 2⅓	14.88 1	34. 5.9	36. 7	6.0			0 9 7½	10,343,940
	May 3	3 17 6	0 5 2½	14.88 1	34. 5.9	37. 6	8.7			0 9 7½	10,927,970
	July 2	3 17 6	0 5 1	15.24 1	35. 3.9	37. 2	5.2			0 9 7½	
	Sept. 3	3 17 6	0 5 1½	15.12 1	35. 0.6	36. 0	2.7			0 9 7½	
	Nov. 1	3 17 6	0 5 1½	15.12 1	35. 0.6	35. 3	0.5			0 9 7½	
4	Jan. 3	3 17 6	0 5 1½	15.12 1	35. 0.6	35. 9	2.0			0 9 7½	
	March 4	3 17 6	0 5 1	15.24 1	35. 3.9	36. 4	2.8			0 9 7½	
	May 2	3 17 6	0 5 1¼	15.18 1	35. 2.3	36. 7	4.0			0 9 7½	
	July 1	3 17 6	0 5 2	15. 1	34. 9.3	35. 6	2.1			0 9 7½	
	Sept. 2	3 17 6	0 5 1	15.24 1	35. 3.9	35. 0		1.0		0 9 7½	
	Nov. 4	3 17 6	0 5 1	15.24 1	35. 3.9	34. 5		2.6		0 9 7½	

		Price of standard gold per oz.	Price of standard silver per oz.	Their relative proportions to each other.	Par of exchange with Hamburgh.	Course of exchange with Hamburgh.	Per centage in favour of London.	Per centage against London.	Per centage above the mint price of gold.	Per centage below the mint price of gold.	Amount of Bank of England notes in circulation.
1795	Jan. 2	3 17 6	0 5 2¼	14.94 to 1	34. 7.6-10th.	34. 6		0 4-10th.		0 9 7½	12,432,240
	March 3	3 17 6	0 5 1	15.24 1	35. 3.9	35.10	1.4			0 9 7½	
	May 1	3 17 6	0 5 1	15.24 1	35. 3.9	34. 4		2.8		0 9 7½	10,912,680
	July 3	3 17 6	0 5 3½	14.64 1	33.11.2	32.10		3.3		0 9 7½	11,034,790
	Sept. 1		0 5 5½			32. 6					
	Nov. 3		0 5 5			32.10					11,608,670
6	Jan. 1		0 5 5½			32. 7					
	March 1		0 5 5½			33. 2					10,824,150
	May 3		0 5 5			33.10					10,770,200
	July 1		0 5 6			33. 7					
	Sept. 2	3 17 6	0 5 3½	14.64 1	33.11.2	33. 7		1.		0 9 7½	9,720,440
	Nov. 1	3 17 6	0 5 3½	14.64 1	33.11.2	34. 7	1.9			0 9 7½	9,645,710
7	Jan. 3	3 17 6	0 5 5	14.30 1	33. 1.8	35. 6	7.				
	March 3	0 0 0	0 5 6½			34. 9				0 9 7½	
	May 2	3 17 6	0 5 6	14.09 1	32. 7.9	36.	10.			0 9 7½	11,103,880
	July 4	3 17 6	0 0 0			36. 6				0 9 7½	
	Sept. 1	3 17 10½	0 5 1	15.31 1	35. 5.9	38.	7.				10,828,880
	Nov. 3	3 17 10½	0 5 0½	15.44 1	35. 9.5	38.	7.				11,641,400
8	Jan. 2	3 17 10½	0 5 0	15.57 1	36. 1.1	38. 2	5.7				13,043,480
	March 2	3 17 10½	0 0 0			37. 5					
	May 1	3 17 10½	0 5 1½	15.19 1	35. 2.5	37. 8	7.				13,234,440
	July 3	3 17 10½	0 5 1	15.31 1	35. 5.9	37.10	6.6				12,115,640
	Sept. 4	3 17 10½	0 5 1	15.31 1	35. 5.9	37. 6	5.6				
	Nov. 2	3 17 9	0 5 0½	15.46 1	35.10.0	37.10	5.6			0 3 2½	12,441,070
9	Jan. 1	3 17 9	0 5 2	15.05 1	34.10.5	37. 7	7.7			0 3 2½	
	March 1	3 17 9	0 0 0			37. 7				0 3 2½	13,202,460
	May 3	3 17 9	0 5 2	15.05 1	34.10.5	35. 6	1.8			0 3 2½	13,720,260
	July 2	3 17 9	0 5 6			36.				0 3 2½	
	Sept. 3	3 17 9	0 0 0			33. 4				0 3 2½	13,759,940
	Nov. 1	0 0 0	0 5 8			32. 6					14,006,960

		Price of standard gold per oz.*	Price of standard silver per oz.	Their relative proportions to each other.	Par of exchange with Hamburgh.	Course of exchange with Hamburgh.	Per centage in favour of London.	Per centage against London.	Per centage above the mint price of gold.	Per centage of discount on Bank notes.	Amount of Bank of England notes in circulation.
											15,110,060
1800	Jan. 3		0 5 7			32.					
	March 4		0 5 9½			31. 4					15,213,520
	May 2		0 5 9½			32. 5			9 2 11¾	8 7 7¼	15,230,410
	July 1	4 5 0	0 5 10	14.57 to 1	33. 9.3	32. 6		3.8	9 2 11¾	8 7 7¼	
	Sept. 2	4 5 0	0 5 9½	14.68 1	34. 0.4	32. 2		5.5	9 2 11¾	8 7 7¼	15,450,970
	Nov. 4	4 5 0	0 5 9½	14.68 1	34. 0.4	31.10		6.5	10 8 8	9 8 11¼	16.365,206
1	Jan. 2	4 6 0	0 5 10½	14.64 1	33.11.2	29. 8		12.6	5 18 9¼	5 12 1¼	No account of the Bank notes in circulation appears to have been presented for this year, subsequent to March 25.
	March 3		0 6 0½			31. 7			9 2 11¾	8 7 7¼	
	May 1	4 3 0	0 6 1½	13.74 1	31.10.	31. 6		1.			
	July 2		0 6 0½			31. 6					
	Sept. 1		0 6 0½			31. 7					
	Nov. 3		0 5 11			32. 6					
2	Jan. 1					32. 2			7 4 5½	6 14 8¾	
	March 2	4 3 6	0 5 11½	14.01 1	32. 5.7	32. 3		0.7			15,956,016
	May 4		0 5 9½			32. 8					16,747,300
	July 2					33. 3					16,141,636
	Sept. 3		0 5 6			33. 3					15,838,410
	Nov. 2		0 5 6			33. 5					
3	Jan. 4		0 5 7			34.					16,101,140
	March 1		0 5 7½			34. 5					16,734,510
	May 3		0 5 8			34. 4					
	July 1					34. 4					16,622,510
	Sept. 2		0 5 6			32.10					17,931,930
	Nov. 1		0 5 7½			34. 4					
4	Jan. 3		0 5 8½			34.10					17,274,493
	March 2		0 5 9½			35.					18,033,383
	May 1					35. 9					
	July 3	4 0 0	0 5 6	14.54 1	33. 8.5	35. 8	5.8		2 14 6¾	2 13 1½	17,194,133
	Sept. 4	4 0 0	0 5 4	15. 1	34. 9.3	35.10	3.		2 14 6¾	2 13 1½	
	Nov. 2	4 0 0	0 5 2½	15.36 1	35. 7.3	35. 6		0.3	2 14 6¼	2 13 1½	16,881,306

* Standard gold and silver in bars are not regularly quoted after this date: Portugal gold in coin, being nearly of the same standard, has in several instances been quoted as standard gold; when the coins of any other nation are quoted they are marked as such. In those instances where standard silver is not quoted, the deficiency has been supplied by adding 2½d. to the ounce of new dollars, the reputed difference in the value of the two standards.

		Price of standard gold per oz.	Price of standard silver per oz.	Their relative proportions to each other.	Par of exchange with Hamburgh.	Course of exchange with Hamburgh.	Per centage in favour of London.	Per centage against London.	Per centage above the mint price of gold.	Per centage of discount on Bank note.	Amount of Bank of England notes in circulation.
1805	Jan. 1	4 0 0	0 5 6½	14.44 to 1	33. 5.7-10th.	35. 6	6.0-10th.		2 14 6¾	2 13 1½	18,407,880
	March 1	4 0 0	0 5 6½	14.44 1	33. 5.7	35. 8	6.5		2 14 6¾	2 13 1½	
	May 3	4 0 0	0 5 4½	14.88 1	34, 5.9	35. 5	2.6		2 14 6¾	2 13 1½	17,367,740
	July 2	4 0 0	0 5 5½	14.65 1	33.11.5	35. 8	5.0		2 14 6¾	2 13 1½	16,449,020
	Sept. 3	4 0 0				35. 5			2 14 6¾	2 13 1½	
	Nov. 5		0 5 8½			32 9					16,753,490
6	Jan. 3					33. 3					17,293,070
	March 4		0 5 8½			34. 2					
	May 2		0 5 9			33. 8					17,085,150
	July 1		0 5 7½			34. 5					17,281,330
	Sept. 2		0 5 7½			34. 4					
	Nov. 4					33.10					17,049,720
7	Jan. 2		0 5 8			34. 8					16,618,390
	March 3		0 5 8			34.10					
	May 1		0 5 7½			34.10					17,536,400
	July 3		0 5 6			34. 3					17,748,400
	Sept. 4		0 5 7½			34. 3					
	Nov. 6		0 5 7½			34. 4					16,930,200
8	Jan. 1					34. 4					17,573,100
	March 1					34. 6					
	May 3					34. 9					17,491,900
	July 1		0 5 5½			35. 8					
	Sept. 2					34. 8					17,644,670
	Nov. 1					32. 9					17,466,170
9	Jan. 3		0 5 7½			31. 3					17,970,285
	March 3	4 10 0	0 5 5¼	16.49 1	38. 2.7	31. 0		18.9			
	May 2	4 11 0	0 5 6¼	16.42 1	38. 0.8	30. 6		19.9			18,327,555
	July 4	*4 12 10½	0 5 8½	16.27 1	37. 8.6	28. 6		24.5	15 11 4¾	13 8 7½	
	Sept. 5	†4 9 10½	0 5 8½	15.74 1	36.10.9	29. 0		21.4	17 2 7¾	14 8 5½	19,436,800
	Nov. 3		0 5 9½			28. 6			19 5 2½	16 3 0	
1810	Jan. 2		0 5 7½			29. 3			15 8 2	13 7 0¼	19,742,998
	March 6	‡4 11 10½	0 5 9	16.	36.11.1	29. 4		20.6	17 19 6½	15 4 9	20,457,480

* The Gold quoted this month is Doubloons, at - - - - - - - - - - - - - - £4 8 0

To which add the difference of value between an ounce of English Gold Coin and an ounce of Doubloons (*a*) - - 0 4 10½

† Doubloons. ‡ Doubloons. £4 12 10½

(*a*) Ede's View of Foreign Gold Coins, p. 33.

APPENDIX. No. II.

A Monthly Account of the market prices of standard gold and silver, shewing their relative proportions to each other, with the par, course, and rates of exchange, between London and Paris, from the 3d day of January 1792, to the 3d day of December 1793, both inclusive, extracted from Lloyd's Lists.

		Price of standard gold per oz.	Price of standard silver per oz.	Their relative proportions to each other.	Par of exchange with Paris.*	Course of exchange with Paris at sight.	Per centage in favour of London.	Per centage against London.
1792	Jan. 3	3 17 6	0 5 4	14.53 to 1	28.$\frac{1}{4}$	19.$\frac{1}{4}$	31.$\frac{9}{10}$	
	Feb. 3	3 17 6	0 5 4	14.53 1	28.$\frac{1}{4}$	17.$\frac{3}{8}$	39.$\frac{5}{10}$	
	March 2	3 17 6	0 5 4$\frac{1}{2}$	14.41 1	28	15.$\frac{1}{4}$	45.$\frac{6}{10}$	
	April 3	3 17 6	0 5 5	14.3 1	27.$\frac{3}{4}$	17.$\frac{1}{2}$	37.	
	May 1	3 17 6	0 5 5$\frac{1}{4}$	14.25 1	27.$\frac{1}{2}$	17.$\frac{1}{2}$	36.$\frac{4}{10}$	
	June 1	3 17 6	0 5 6	14.09 1	27.$\frac{1}{2}$	17.$\frac{1}{2}$	35.$\frac{8}{10}$	
	July 3	3 17 6	0 5 6	14.09 1	27.$\frac{1}{2}$	18	34.	
	August 3	3 17 6	0 5 5	14.3 1	27.$\frac{1}{4}$	17.$\frac{1}{4}$	37.$\frac{3}{10}$	
	Sept. 4	3 17 6	0 5 5	14.3 1	27.$\frac{1}{4}$	19.$\frac{1}{4}$	28.$\frac{7}{10}$	
	Oct. 2	3 17 6	0 5 5	14.3 1	27.$\frac{1}{4}$	18.$\frac{1}{2}$	34.$\frac{3}{10}$	
	Nov. 2	3 17 6	0 0 0			19.$\frac{1}{4}$		
	Dec. 4	3 17 6	0 5 4$\frac{3}{4}$	14.36 1	27.$\frac{1}{4}$	19.$\frac{3}{4}$	28.$\frac{9}{10}$	
1793	Jan. 1	3 17 6	0 5 4$\frac{3}{4}$	14.36 1	27.$\frac{1}{4}$	17	38.$\frac{5}{10}$	
	Feb. 1	3 17 6	0 5 5	14.3 1	27.$\frac{1}{4}$	14.$\frac{1}{4}$	46.$\frac{7}{10}$	
	March 1	3 17 6	0 5 2$\frac{1}{2}$	14.88 1	28.$\frac{1}{2}$	15	47.$\frac{4}{10}$	
	April 2	3 17 6	0 5 2$\frac{1}{2}$	14.88 1	28.$\frac{1}{2}$	12	57.$\frac{1}{10}$	
	May 3	3 17 6	0 5 2$\frac{1}{2}$	14.88 1	28.$\frac{1}{2}$			
	June 4	3 17 6	0 5 1$\frac{1}{2}$	15.12 1	29.$\frac{1}{10}$			
	July 2	3 17 6	0 5 1	15.24 1	29.$\frac{1}{2}$	9	69.$\frac{5}{10}$	
	August 2	3 17 6	0 5 1	15.24 1	29.$\frac{1}{2}$	4.$\frac{1}{4}$	85.$\frac{5}{10}$	
	Sept. 3	3 17 6	0 5 1$\frac{1}{2}$	15.12 1	29.$\frac{1}{10}$	7.$\frac{3}{4}$	73.$\frac{5}{10}$	
	Oct. 1	3 17 6	0 5 1$\frac{1}{2}$	15.12 1	29.$\frac{1}{10}$	9	69.$\frac{4}{10}$	
	Nov. 1	3 17 6	0 5 1$\frac{1}{2}$	15.12 1	Intercourse with France			
	Dec. 3	3 17 6	0 0 0		ceased at this period.			

* The par of exchange between London and Paris has been fixed at 29$\frac{1}{4}$d. See Lord King on the Restriction Bill, p. 150, 2d edition.

APPENDIX. No. III.

A Monthly Account of the market prices of standard gold and silver, their relative proportions to each other, with the par, course, and rates of exchange between London and Paris, from the 3d day of January 1809, to the 6th day of March 1810, both included : extracted from Lloyd's Lists.

		Price of Standard gold per oz.	Price of Standard Silver per oz.	Their relative proportion to each other.	Par of exchange with Paris.	Course of exchange with Paris one day's date.	Per centage in favor of London.	Per centage against London.
1809	Jan. 3	0 0 0	0 5 7½			22. 4		
	Feb. 3	0 0 0	0 0 0			22. 4		
	March 3	4 10 0	0 5 5½	16.49 to 1	26. 5	20.19		20.
	April 4	4 11 0	0 5 7½	16.18 1	25.15	20.19		18. 7/15
	May 2	4 11 0	0 5 6½	16.42 1	26. 3	20.19		19. 3/15
	June 2	4 10 0	0 5 7½	16. 1	25. 9	20. 1		21. 1/15
	July 4	4 12 10½	0 5 8½	16.27 1	25.18	20. 1		22. 5/15
	August 1	0 0 0	0 5 9½			20. 1		
	Sept. 5	4 9 10½	0 5 8½	15.74 1	25. 1	20. 1		20.
	Oct. 3	0 0 0	0 0 0			20. 1		
	Nov. 3	0 0 0	0 5 9½			19. 6		
	Dec. 1	0 0 0	0 0 0			19.16		
1810	Jan. 2	0 0 0	0 5 7½			19.16		
	Feb. 13	4 12 10½	0 5 8½	16.27 1	25.18	19.10		24. 8/15
	March 6	4 11 10½	0 5 9	15.97	25. 9	19.16		22. 1/15

In the above calculations I have considered the par between London and Paris to be 24 livres to the pound sterling, which I am informed is the reputed par on the London exchange.

APPENDIX. No. IV.

A Reply to Mr. Grenfell's Examination of the Tables of Exchange annexed to the first Edition of this Work.

Mr. Grenfell, in a Postscript to his Defence of Bank Notes, has given an examination of the Tables of Exchange annexed to the first edition of this work, by which he has endeavoured to prove, that Bank notes are not depreciated; because since 1797, the pound sterling in England has exchanged for more than 33 schillings, 8 grotes, that being stated as the par between the two countries. If Mr. G. had put himself to the trouble to have made the same experiment on the thirteen years immediately preceding the Restriction Bill, that he has made on those that followed, that never-to-be-forgotten era, he would have found, that in the former period the pound sterling in England had really exchanged for 34s. 10½gr.; so that according to Mr. Grenfell's own principle, the currency of this country must have undergone a depreciation of 10½ grotes since that time, or about 2½ per cent., because an equal quantity of it has not exchanged for a like quantity of Hamburgh currency.

As the principle which Mr. G. has assumed may have a tendency to mislead those who are interested in the

Defence of Bank Notes, it will be necessary to expose the fallacy and absurdity of it. In the commencement of the seventh chapter of the first edition of this work, I have stated that, "the currency of a country is said to be depreciated when a given quantity of it will no longer exchange for a like quantity of that of another country; for example, if the circulating medium of England was reduced in value $\frac{1}{10}$th below its standard, and recognized level, while that of Hamburgh remained stationary, the pound sterling of England would not exchange for 33s. 8gr. but for $\frac{1}{10}$th less." The meaning of this passage, although it appeared to me sufficiently perspicuous, is not understood by Mr. Grenfell, and his misunderstanding has led him to conclude that, "the currency of this country has not been depreciated, because an equal quantity of it has actually been exchanged for rather more than an equal quantity of the currency of another country."

It is necessary, on this account, to explain the passage just cited.

If the guineas of England, which are admitted to be the standard of our currency, were diminished one-tenth by clipping, it must appear obvious, that a merchant in Hamburgh purchasing a bill upon London, would not give 33s. 8gr. for the gold contained in the pound sterling so diminished; he would give a number of schillings and grotes which would be equal in value to the gold contained in the pound sterling. It will also follow, that if the currency of England, being paper, is reduced in value $\frac{1}{10}$th by an increase in its quantity, a merchant in Hamburgh will not give 33s. 8gr. for the pound sterling, because the pound sterling in the English, or in the Hamburgh market, will not purchase a quantity of silver equal in value to the silver contained in 33s. 8gr.; if it purchase $\frac{1}{10}$th less, then

the Hamburgh merchant will only give about 30s. 4gr. for the pound sterling. It is in this manner that a comparison of the intrinsic values of the respective currencies of two countries will determine the par between them.

Had Mr. Grenfell sufficiently weighed this fundamental principle, I believe he would have paused a little longer before he drew his conclusion that "Bank Notes are not depreciated." But, for the sake of argument, let Mr. G's assumption be admitted, let 33s. 8gr. be taken as the fixed par between London and Hamburgh, that is to say, let the pure silver in 33s. 8gr. be regarded as equal to the pure silver contained in twenty of our standard shillings; these proportions being fixed, any derangement of them, according to Mr. G's principle, must be a depreciation of currency; for example, if the pound sterling has exchanged for 34 schillings, on the average of thirteen years, the currency of England has, during that period, been at a premium of 1 per cent. while that of Hamburgh has been depreciated to that amount. Mr. G's principle proves the very converse of what he wishes and what he pleads for. If the currency of Hamburgh was depreciated when 34 schillings were given for our pound sterling, our pound sterling must be depreciated at present, because Hamburgh will not give more than 28s. 6gr. or 29 schillings for it, constituting an unfavorable exchange, or a depreciation on our currency of about 20 per cent.

It would have been unnecessary to have added more on this subject, but Mr. Grenfell has strayed so very wide of the principle on which the doctrine of favorable or unfavorable exchange depends, that it may be necessary to explain it to him, to shew him more clearly the absurdity of the principle which he has advanced.

No exchange in strictness can exist between two

countries, while the exports from the one balance the imports from the other. For example, if the exports from England to Hamburgh were to the same amount as the imports from that country to this, the exchange would be at par; bills upon London sold on the Hamburgh exchange would be at par, as would bills on Hamburgh sold on the London exchange. But if the exports of England to Hamburgh amounted to £100,000, while the imports from Hamburgh were only £90,000, a balance of debt would be created between the two countries. As more bills in consequence would be drawn in London upon Hamburgh, than in Hamburgh upon London by £10,000, the bills in London would be naturally at a premium; the merchants in Hamburgh having this debt to pay in London, and being inclined to give a premium upon London bills for the purpose of discharging it. Thus it appears, that it is the scarcity of London bills, and the competition among the Hamburgh merchants to discharge each his debt at the cheapest rate that causes bills on London to sell at a premium. The amount of this premium is the extent of the unfavorable exchange to Hamburgh, and the favorable exchange to London. When all the bills, however, which were drawn in Hamburgh upon London are sold, Hamburgh is still indebted to London £10,000; she has no mode of discharging this debt but by a direct remittance of that sum in gold or silver. The profit of the bullion-merchant, and the expence of freight and insurance are the necessary and unavoidable charges attending the transportation of this metal. But it would be absurd to say, as in the first instance, that because a Hamburgh merchant could pay his debt by giving one or two per cent. premium for a bill on London, or four per cent. for sending gold or silver to pay it, that the currency of

Hamburgh was depreciated. It might with equal propriety be affirmed, that a bill remitted by a merchant in Edinburgh to his correspondent in London, was depreciated to the amount of the postage; and with equal justice, it may be said that the signature of a member of the House of Commons could prevent the Edinburgh merchant's bill from being depreciated.

According to the principle which I have just explained, our unusual amount of imports from the Baltic during the last year, can have no greater effect upon the rates of exchange with Hamburgh, through which our principal payments to the northern states are made, than the expense of sending the precious metals there; and as Mr. Eliason stated the charge of sending gold to Hamburgh to be £3 12s. 11d. per cent. in 1797, it certainly cannot now cost upwards of £20, the average of the exchange with Hamburgh against London, during the year 1809.

I must refer Mr. Grenfell to the 8th chapter of the foregoing Enquiry for information respecting the principle which regulates the price of gold not only in the state of coin, but in the state of bullion; and this is the more necessary, as Mr. G. does not seem to be aware that such a principle exists.

THE END.

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