

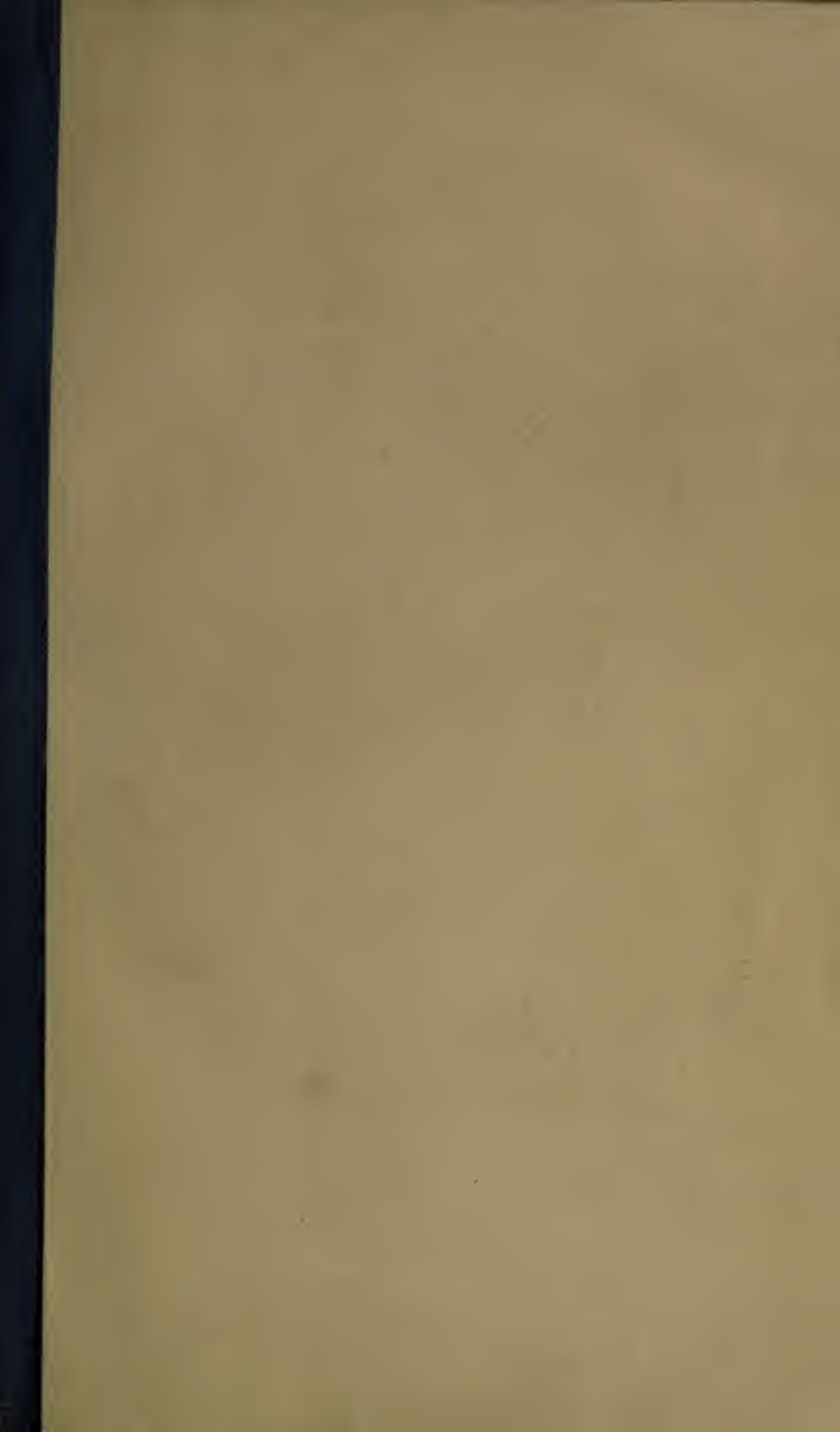
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Observations on the
depreciation of money.

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OBSERVATIONS
ON THE
DEPRECIATION OF MONEY,
AND THE
STATE OF OUR CURRENCY.

WITH SUNDRY RELATIVE TABLES.

By **ROBERT WILSON, ESQ.**
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OBSERVATIONS, &c.

SECTION I.

Respecting the Existence and extent of the Depreciation.

It is observed by Dr Adam Smith, that, in all the different stages of wealth and improvement, we can judge better of the real value of silver by comparing it with corn, than by comparing it with any other commodity, or set of commodities.

Labour and subsistence, indeed, as they are the original price paid for gold and silver, so in all the future transmissions thereof, they are the only real standards of the exchangeable value of these metals.

Previously to the discovery of America, a small quantity of silver exchanged for a large quantity of corn, but after that discovery, silver, as stated by Dr

Smith, ' sunk in its real value, or would exchange
 ' for a smaller quantity of labour than before, and
 ' corn rose in its nominal price, and, instead of be-
 ' ing commonly sold for about two ounces of silver
 ' the quarter, or about ten shillings of our present
 ' money, came to be sold for six and eight ounces
 ' of silver, or about thirty and forty shillings of our
 ' present money.'

On a review of the prices of corn, before and after the discovery of the American mines, Dr Smith concludes, that the discovery of these mines, in lowering the value of silver, had produced its full effect at or about the year 1636. That, for a considerable time afterwards, little variation took place in the value of silver, and it again rose somewhat in proportion to the value of corn, during the first sixty-four years of the eighteenth century.

About the year 1763, a very considerable rise in the money price of corn took place in Great Britain, from causes to be afterwards explained; but from that time till the year 1794 there was little or no variation in the value of silver, compared with that of corn.

Since the year 1794, however, there has taken place in this country, a rise in the nominal price of

corn, or depression in the value of gold and silver, altogether without example, since the first discovery of the American mines.

Thus, on comparing the average price of wheat for the 16 years, 1779 and 1794 inclusive, with the average price for the 16 years, 1795 and 1810 inclusive, the difference will be found to be equal to about 73 per cent.: or, 173*l.* now, will only purchase the same quantity of wheat which 100*l.* would have done prior to the year 1795.

On many other articles of home produce, not affected by direct taxation, the rise has been still greater; and, on the price of ordinary labour, it will be found very nearly to correspond with that on wheat. Thus, preceding the year 1795, the average price of labour might be taken at seven shillings per week, but cannot now be stated at less than twelve shillings, making a difference of betwixt 71 and 72 per cent.

In like manner the money prices, or nominal value of all real property, of whatever nature or description, have risen in an equal, if not a greater, proportion.

This depreciation may have affected either the real

value of gold and silver, or it may have been confined to our currency, or it may have consisted not only of a depreciation of gold and silver, but also of our currency.

It is of importance to keep in view the distinction betwixt a real depreciation of gold and silver, whether arising from general or local causes, and a depreciation of our currency: for, in so far as it may arise from general causes, it can admit of no remedy on our part; but if it is either a depreciation of gold and silver, arising from local causes, or a mere depreciation of our currency, the evil, in either case ought to admit of a remedy, though the remedies in these two cases may be very different.

SECTION II.

Respecting the Causes of the Depreciation, considered as affecting the real value of Gold and Silver.

A DEPRECIATION of the real value of gold and silver, may be owing either to general causes affecting their value in the general market of the commercial world, such as the increased fertility of the mines, or it may be owing to the particular institutions and circumstances of the country in which it has taken place.

Had the depreciation which has taken place in this country been owing to the increased fertility of the mines, it might have been expected that gold and silver would have appeared in great abundance in this, the most commercial country in the world. So far from such being the case, however, it must be admitted, that the suspension of our cash-payments in the year 1797, and its subsequent continuance to

the present time, afford proofs of a scarcity, rather than of plenty of gold and silver.

The value of gold and silver would also have fallen, in the rest of Europe, to an equal degree as in this country. It will be difficult, however, on that supposition, to account for the strong tendency which gold and silver have shewn, ever since the year 1794, to leave this country, and to flow to the Continent; and for the difficulty that has been experienced, in all our endeavours to bring them back, even with the advantage of a favourable exchange: and, even although a considerable depreciation of money may be shown to have taken place on the Continent, this may be, in part, attributed to the addition of a large portion of the gold and silver of Great Britain to the stock of the rest of Europe.

It is, no doubt, true, that the silver mines of America have become greatly more productive within the last hundred years; but it is not from the absolute quantity of gold or silver raised, that any depreciation of their value can be inferred. The increased quantity may be, and most probably has been, owing to the increased demand; and, in that case, though the absolute quantity should be ever so much increased, yet if they are still attainable only at the same expense of labour, their real value in relation

to corn and labour, the true standards of that value, will remain unchanged.

Besides, it is proved by the accounts subjoined to the report of the Bullion Committee, that the great increase in the produce of the silver mines took place as far back as the year 1773; and if the present depreciation of money is owing to that cause, it may be asked, why it did not operate prior to 1794, as it certainly did not, or, at least, in a very slight degree?

It may be concluded, therefore, that, although the extraordinary depreciation of money in this country, within the last sixteen years, may have been in part owing to the increased abundance of gold and silver in Europe; yet it cannot be altogether accounted for by that cause, and must have depended, in part at least, on local or temporary causes peculiar to this country.—These, I apprehend to be—

1. The increase of our consumption of corn to such an extent as greatly to exceed our ordinary annual production. This increased consumption is to be ascribed to the extension of our colonial territories, the increase of our commerce and manufactures, and the progress of the funding system. Its commencement may be dated from about the year

*Causes
of depreciation*

1763; at or soon after which Britain ceased to be an exporting, and became a regularly importing country of corn; and a permanent rise in the price of corn was the necessary consequence. But all the above-mentioned causes of increased consumption have operated to a much greater extent since the year 1790, than in any former period of equal duration, as is clearly proved by our progressive increase of importation since that period; and they have been further aided by a great war expenditure in that period.

2. The frequent recurrence of deficient crops, and interruption of our usual supplies from abroad, particularly the failure of crop 1795, the still greater failure of crops 1799 and 1800, and the partial failure of crops 1804, 5, 6, 8, and 9, while our supply from abroad was rendered more precarious than formerly, by the effects of the war, and by scarcities existing at different times in other countries; and the expense of importation was greatly increased by the high rates of freight and insurance.

3. The state of our corn importation laws, particularly the law of 1804, by which the price at which wheat might be imported, at a low duty, was at once raised about 24 per cent.

To which may be added the effect of the Orders in Council, 1807, and their consequences.

All these causes tending to the raising of the money-prices of corn and labour ; and,

4. The suspension of our payments in specie, enabling us to maintain these increased nominal prices, which must otherwise have been checked by the limited nature of the circulating medium, while it consisted either of gold and silver, or of paper convertible into gold and silver, at the will of the holder.

The influence of the price of corn in regulating the price of labour, and of all articles of home produce, is thus stated by Dr Smith, in his argument respecting the effect of our corn laws.

‘ This enhancement of the money-price of corn, however, it has been thought, by rendering that commodity more profitable to the farmer, must necessarily encourage its production.

‘ I answer, that this may be the case, if the effect of the bounty was to raise the real price of corn, or to enable the farmer, with an equal quantity of it,

' to maintain a greater number of labourers in the
 ' same manner, whether liberal, moderate, or scanty,
 ' than other labourers are maintained in his neigh-
 ' bourhood. But neither the bounty, it is evident,
 ' nor any other human institution, can have any such
 ' effect. It is not the real, but the nominal price of
 ' corn which can, in any considerable degree, be
 ' affected by the bounty; and, though the tax which
 ' that institution imposes upon the whole body of the
 ' people may be very burdensome to those who pay
 ' it, it is of very little advantage to those who re-
 ' ceive it.

' The real effect of the bounty is not so much to
 ' raise the real value of corn, as to degrade the real
 ' value of silver; or to make an equal quantity of it
 ' exchange for a smaller quantity not only of corn,
 ' but of all other home-made commodities; for the
 ' money-price of corn regulates that of all other
 ' home-made commodities.

' It regulates the money-price of labour, which
 ' must always be such as to enable the labourer to
 ' purchase a quantity of corn sufficient to maintain
 ' him and his family, either in the liberal, moderate,
 ' or scanty manner in which the advancing, station-
 ' ary, or declining circumstances of the society oblige
 ' his employers to maintain him.

‘ It regulates the money-price of all the other parts
 ‘ of the rude produce of land, which, in every pe-
 ‘ riod of improvement, must bear a certain propor-
 ‘ tion to that of corn, though this proportion is dif-
 ‘ ferent in different periods. It regulates, for ex-
 ‘ ample, the money-price of grass and hay, of but-
 ‘ cher’s meat, of horses and the maintenance of
 ‘ horses, of land-carriage consequently, or of the
 ‘ greater part of the inland commerce of the coun-
 ‘ try.

‘ By regulating the money-price of all the other
 ‘ parts of the rude produce of land, it regulates that
 ‘ of the materials of almost all manufactures. By
 ‘ regulating the money-price of labour, it regulates
 ‘ that of manufacturing art and industry; and by re-
 ‘ gulating both, it regulates that of the complete ma-
 ‘ nufacture. The money-price of labour, and of
 ‘ every thing that is the produce, either of land or
 ‘ labour, must necessarily either rise or fall, in pro-
 ‘ portion to the money-price of corn.

‘ Though, in consequence of the bounty, there-
 ‘ fore, the farmer should be enabled to sell his corn
 ‘ for four shillings the bushel instead of three and
 ‘ sixpence, and to pay his landlord a money-rent
 ‘ proportionable to this rise in the money-price of
 ‘ his produce; yet if, in consequence of this rise in

' the price of corn, four shillings will purchase no
 ' more home-made goods, of any other kind, than
 ' three and sixpence would have done before, neither
 ' the circumstances of the farmer, nor those of the
 ' landlord, will be much amended by this change.
 ' The farmer will not be able to cultivate much bet-
 ' ter;—the landlord will not be able to live much
 ' better. In the purchase of foreign commodities,
 ' this enhancement in the price of corn may give
 ' them some little advantage. In that of home-made
 ' commodities, it can give them none at all; and al-
 ' most the whole expense of the farmer, and the far
 ' greater part even of that of the landlord, is in
 ' home-made commodities.

' That degradation in the value of silver, which
 ' is the effect of the fertility of the mines, and which
 ' operates equally, or very nearly equally, through
 ' the greater part of the commercial world, is a mat-
 ' ter of very little consequence to any particular coun-
 ' try. The consequent rise of all money-prices,
 ' though it does not make those who receive them
 ' really richer, does not make them really poorer.
 ' A service of plate becomes really cheaper, and
 ' every thing else remains precisely of the same real
 ' value as before.

' But that degradation in the value of silver, which

' being the effect either of the peculiar situation, or
 ' of the political institutions of a particular country,
 ' takes place only in that country, is a matter of very
 ' great consequence, which, far from tending to make
 ' any body really richer, tends to make every body
 ' really poorer. The rise in the money-price of all
 ' commodities, which is in this case peculiar to that
 ' country, tends to discourage, more or less, every
 ' sort of industry which is carried on within it, and
 ' to enable foreign nations, by furnishing almost all
 ' sorts of goods for a smaller quantity of silver than
 ' its own workmen can afford to do, to undersell
 ' them not only in the foreign, but even in the home
 ' market.'

And, afterwards, he observes,—

' The bounty, as it raises in the home market not
 ' so much the real as the nominal price of our corn,
 ' as it augments not the quantity of labour which a
 ' certain quantity of corn can maintain and employ,
 ' but only the quantity of silver which it will ex-
 ' change for, it discourages our manufactures, with-
 ' out rendering any considerable service either to
 ' our farmers or country gentlemen. It puts, in-
 ' deed, a little more money into the pockets of both;
 ' and it will, perhaps, be somewhat difficult to per-
 ' suade the greater part of them, that this is not ren-

‘dering them a very considerable service. But if
 ‘this money sinks in its value, in the quantity of la-
 ‘bour, provisions, and home-made commodities of
 ‘all different kinds, which it is capable of purchas-
 ‘ing, as much as it rises in its quantity, the service
 ‘will be little more than nominal and imaginary.’

The effect of the re-action of a rise in the price of labour, in raising and keeping up the price of corn, is thus illustrated by Mr Malthus.

‘No person,’ he observes, ‘will venture to doubt,
 ‘that if we were to give three additional shillings a-
 ‘day to every labouring man in the kingdom; in
 ‘order that he might have meat for his dinner, the
 ‘price of meat would rise in the most rapid and un-
 ‘exampled manner. But, surely, in a deficiency of
 ‘corn, which renders it impossible for every man to
 ‘have his usual share, if we still continue to furnish
 ‘each person with the means of purchasing the same
 ‘quantity as before, the effect must be in every re-
 ‘spect similar.’

And again, ‘If we were to double the fortunes of
 ‘all those possessing 100*l.* a-year, the effect on the
 ‘price of grain would be slow and inconsiderable;

‘ but if we were to double the price of labour through-
 ‘ out the kingdom, the effect in raising the price of
 ‘ grain would be rapid and great. The general prin-
 ‘ ciples, on this subject, will not admit of dispute.’

Mr Malthus seems, also, to have been fully aware, that the effects he has supposed, could not have been produced in the ordinary state of our circulating medium. ‘ On the commencement, therefore, of this
 ‘ extensive relief, which would necessarily occasion
 ‘ a proportional expenditure in provisions throughout
 ‘ all the ranks of society, a great demand would be
 ‘ felt for an increased circulating medium. The na-
 ‘ ture of the circulating medium, then (1799 and
 ‘ 1800) principally in use, was such, that it could be
 ‘ created immediately on demand. From the ac-
 ‘ counts of the Bank of England, as laid before Par-
 ‘ liament, it appeared that no very great additional
 ‘ issues of paper took place from this quarter. The
 ‘ $3\frac{1}{2}$ millions, added to its former issues, were not
 ‘ probably much above what was sufficient to supply
 ‘ the quantity of specie that had been withdrawn
 ‘ from the circulation,’ &c.

‘ The demand, therefore, for an increased circu-
 ‘ lating medium, was left to be supplied by country
 ‘ bankers; and it could not be expected that they
 ‘ would hesitate in taking the advantage of so pro-

'fitable an opportunity. The paper issues of a
 'country bank are, as I conceive, measured by the
 'quantity of the notes which will remain in circula-
 'tion; and this quantity is again measured, suppos-
 'ing a confidence to be established, by the sum of
 'what is wanted to carry on all the money trans-
 'actions of the neighbourhood. From the high price
 'of provisions all these transactions became more
 'expensive. In the single article of the weekly pay-
 'ment of labourers wages, including the parish al-
 'lowances, it is evident that a very great addition to
 'the circulating medium of the neighbourhood would
 'be wanted. Had the country banks attempted to
 'issue the same quantity of paper, without a parti-
 'cular demand for it, they would quickly have been
 'admonished of their error, by its rapid and pressing
 'return upon them: but at this time it was wanted
 'for immediate and daily use, and was therefore ea-
 'gerly absorbed into the circulation.'

} By the combined action and re-action of this en-
 } hancement of the prices of corn and labour, aided
 } by the suspension of our cash payments, a tempo-
 } rary depreciation, in the exchangeable value of mo-
 } ney, has been produced in this country;—one conse-
 } quence of which has been an increase in the quan-
 } tity of our paper currency, partly by its forcing gold
 } out of circulation, and partly (through the enhance-

ment of prices) by its increasing the demand for circulating medium.

And what proves, indisputably, that this depreciation was the result of temporary and particular, and not of permanent and general causes, was the return of the prices of corn to their usual level, uniformly as these causes ceased to operate. Thus, in winter 1798—1799, after the two abundant crops of 1797 and 1798, the price of wheat fell so low as 48s. per quarter: and again, even after the extravagant prices of 1799 and 1800, it fell, in Spring 1804, in consequence of the abundant crops of 1801, 2, and 3, to 49s. per quarter.

Another important conclusion to be derived from the return of the prices of corn to their natural level on the two above-mentioned occasions, is, that the bank restriction, and the increased issues of paper currency, had of themselves no direct effect in raising or keeping up these prices; for, in Spring 1799, when wheat was at 48s. to 49s. the quarter, the suspension had subsisted two full years, accompanied with a considerable increase of paper currency; and, in Spring 1804, it had subsisted seven years, and the paper circulation had nearly attained its highest amount, yet, on both occasions, the price of wheat was

under, rather than above its natural standard, the importation price.

Since the year 1804, the return of these low prices of wheat must have been effectually prevented by the operation of the corn law of that year, whatever had been the state of our crops.

Note.—From the year 1773 to the year 1791, wheat was permitted to be imported from foreign countries, when the price in this country reached 48s. the quarter.

By act passed in 1791, the importation of wheat from foreign countries was prohibited till the price reached 50s., and then only on payment of a duty of 2s. 6d., falling to 6d. when the price reached 54s.

In 1804, the prohibition was extended till the price in this country should reach 63s. the quarter, and then only on payment of a duty of 2s. 6d., falling to 6d. when the price should reach 66s. the quarter.

This alteration in 1804 was equal to about $35\frac{1}{2}$ per cent. on the price prior to the year 1791, or 24 per cent. on 52s. 6d., the price and duty from 1791 to 1804.

SECTION III.

On the Question—Whether a depreciation has taken place in our Currency, independently of the real depreciation of Gold and Silver ?

THE only certain proofs of a depreciation of currency, are,

1st, A nominal rise in the price of gold and silver bullion, when estimated in the depreciated currency, commensurate with the extent of the depreciation: thus, supposing a guinea of the debased money to be worth only ten shillings and sixpence, the price of gold, in place of $3l. 17s. 10\frac{1}{2}d.$ per ounce, its standard mint price, would rise to $7l. 15s. 9d.$; and this increased price would remain stationary so long as the depreciation of the currency continued.

2dly, A difference on our exchanges with foreign countries, of the same nature and extent, betwixt the nominal value of our depreciated currency and their standard coins, as betwixt our currency and bullion at home. Thus, supposing our currency to have fallen to one half of its standard value, in purchasing a bill on Hamburgh, the pound sterling in place

of exchanging for 34s. 3½*d.* Flemish, the par as reported by the Bullion Committee, would have exchanged only for 17s. 1¾*d.* Besides the difference from this cause, however, the course of exchange is subject to another source of fluctuation, in the state of the balance of payments. These payments are transacted by means of bills of exchange; and if there happens to be at any time a surplus of bills on the Continent in the London market beyond the amount of foreign drafts on London, the bills on the Continent will be sold in the London market at a small discount, the limit to which is the actual expense of bringing over the payment in specie from the Continent. In the same way, if the bills on the Continent are insufficient to balance the bills on Britain, a premium will be given at London for bills on the Continent, but which will also be limited to the expense of sending over payment from this country to the Continent, so long as our currency is convertible into gold and silver. This expense is, in either case, from 3 to 6 per cent., which, accordingly, is the usual extent of the fluctuations in the course of exchange. Thus, taking the par of exchange with Hamburgh at 34s. 3½*d.*, the usual fluctuations are from 32*s.*, being about 6 per cent. against Britain to 36*s.*, being about 6 per cent. in favour of Britain. When the course of exchange rises or falls beyond these limits, it must be either owing

to a depreciation of the currency of one or other of the opposite countries, or to some local impediment to the transmission of specie.

In so far as the transactions betwixt this country and the continent of Europe relate to the interchange of articles of luxury or convenience, the balance of the trade betwixt them will be always nearly equal; for a very unequal balance of such trade cannot permanently exist. But if, through the failure of the corn crops in Britain, a great importation of corn takes place from the Continent, at an enhanced price, this must create a balance against Britain, which her ordinary exports of mere articles of luxury or convenience, for which there may be no unusual demand on the Continent, cannot compensate. In this case the balance must be paid in bullion, and the exchange will experience a fall equal to the expense of sending it over; and if the balance is very large, the increased demand for bullion will raise the price of it here.

A depression in our exchange with the Continent may also be occasioned by an increase of our foreign expenditure, appearing in the shape of bills or drafts on this country in the foreign markets; but, in so far as this expenditure is supplied by the transmission of specie from this country, it will not affect the exchange.

Supposing no depreciation of our currency, it is obvious that the mere scarcity of gold and silver in this country, accompanied by the suspension of our cash payments, must have the effect of removing the usual limit to the depression of the exchange, when the balance of payments happens to be against us; more especially if the sale of our other goods in the foreign markets is at the same time interrupted. Instead, therefore, of being limited to 6 per cent., the depression of the exchange may extend to 10, 15, or even 20 per cent. before it can be restored; and, in proportion as the difference increases against us, will the demand for bullion increase, and a premium nearly equal to the difference on the exchange will come to be given for it. Thus, supposing that, in such a state of the exchange, a person in London going to Hamburgh wishes to purchase a bill on that place for 100*l.*, he finds that it cannot be got without paying a premium of 15*l.* for it. Had the bank been paying in specie, he could have been under no difficulty in procuring 100*l.* in exportable foreign coins, so as to have saved this discount on the exchange; but this not being the case, he tries to purchase gold from private dealers; and the premium he can afford to give for it will be equal to that on the bill of exchange, *minus* the expense and risk of carrying over the specie: and this rise on the price of bullion must

necessarily hold out a strong temptation to the melting, and illicit exportation of our coin.

If no depreciation exists in our currency, it is evident, that no sooner will the balance of payments be turned in our favour, than all symptoms of this extraordinary depression in the exchange will vanish, and the price of bullion will return to its usual level. But if a depreciation exists in our currency, the restoration of a favourable balance on our transactions with foreign countries will not restore the par of the exchange; and both the nominal rate of the exchange, and the nominal price of bullion, must continue to be affected by the depreciation, until that depreciation is corrected.

Having said thus much in general, it will be proper next to examine the actual state of the exchange, and prices of bullion, since the suspension of our cash payments.

It appears from the table subjoined, No. 2, that, in the beginning of the year 1797, when the bank restriction took place, the exchange with Hamburg was from 3 to 4 per cent. in favour of London, and the price of gold *3l. 17s. 6d.* per oz., or fourpence halfpenny under the mint price. From spring 1797 to spring 1799, the exchange was generally from

9 to 11 per cent. in favour of London, and gold at or under its mint price. So far, therefore, from our paper currency being under depreciation in this period, it was bearing a high premium against the specie of the Continent. In harvest 1799, the exchange turned against Britain evidently in consequence of the failure of that year's crop, and continued so till autumn 1802, when it was nearly restored to par. During this period, the depressions frequently exceeded the expense of the transmission of specie, and a rise in the price of gold bullion was the necessary consequence. Throughout the year 1803, the exchange was in general at or about par, and, in 1804 and 1805, was usually about 4 per cent. in favour of Britain; and, with some inconsiderable fluctuations, it continued at or about par from the year 1805 till harvest 1808; and, in the mean time, the price of gold had continued stationary at 4*l.* per oz.

During all this period, our paper currency was convertible into foreign specie, without any loss, which could not have been the case had it been in a state of depreciation: and, with regard to the small rise of $2\frac{3}{4}$ per cent. on the price of gold, this seems to have been altogether a voluntary measure of the bank, noways connected with any excess of our paper currency.

Since harvest 1808, the exchange has again become unfavourable, and the price of gold has risen. But these circumstances may be sufficiently accounted for, by a reference to causes unconnected with the supposed excess and depreciation of our paper currency. These are, 1. The partial failures of our wheat crops in 1808 and 1809, and consequent large importation of bread-corn.—2. A great importation of Baltic stores in 1808 and 1809.—3. The high freight paid to foreigners, chiefly in specie, most of our importations being in foreign vessels.—4. The remittances for the maintenance of our armies in Spain and Portugal:—and, Lastly, the severe measures adopted by France to prevent our goods from being imported into the Continent; and the occupation of Holland by France. The four first of these causes must have turned the balance of payments against this country; and the last prevented that balance from being discharged in the usual way. A great depression on the exchange, and demand for gold for exportation, must, therefore, have been the necessary consequence. Even the fluctuations of this depression, however, have been such as to evince, that the depression itself did not arise from any depreciation of our currency. Thus, though in July 1809 the exchange was 16 per cent. against this country, and the same in January 1810, yet in April and May 1810 it was only $9\frac{1}{2}$ per cent., being not

more than $3\frac{1}{2}$ per cent. beyond the expense and risk of transporting specie.

Neither has the increase of our paper currency been such as to warrant the conclusion, that the fall in the exchange could have been any ways owing to that cause. Thus the whole increase, on the circulation of Bank of England notes, of 5*l.* and upwards, from the year 1802 to the year 1810, does not exceed one million, or one-fourteenth part of the circulation in 1802, which is by no means equal to the real rise in the prices of provisions and labour in the intervening period, independent altogether of the increase of trade. The greatest increase in the Bank's circulation has been in one and two pound notes: but as these have only come in place of guineas withdrawn from circulation, chiefly since the fall of the exchange in 1808, they cannot be considered as having increased the circulation of the country.

So that, on the whole, it seems abundantly evident, that the state of our foreign exchanges, and price of gold, afford no real proof of the existence of any actual depreciation of the currency of this country.

On the other hand, a favourable state of our foreign exchange, though inconsistent with a depreciation of our currency, is noways inconsistent with

the existence of a real depreciation of gold and silver in this country.

Let it be supposed, that, without altering or debasing our coin, it could be brought about, either by internal regulations or accidental circumstances, that corn and labour, in this country, should be made exchangeable for double the usual quantity of the precious metals they were in use of being exchanged for.

If no such alteration had taken place in other countries, and if the trade in bullion remained free, it is obvious that this would immediately lead to the exportation of bullion from this country. It would also lead to an extended use of the precious metals in our manufactories, the infallible consequence of all which would be the melting of our coin, notwithstanding any prohibition to the contrary, inso-much, that it would very soon be found altogether impossible to continue the use of gold and silver as the medium of circulation.

Let it next be supposed, that the use of specie, as the medium of circulation, shall be laid aside, and its place supplied with a paper money, which, though not exchangeable for specie, yet commands the confidence of the country in an equal degree as if it were so exchangeable, and is by law declared a legal

tender of payment. The consequence of these measures, in so far as they regarded foreign countries, while the depreciation and exportation of our specie and bullion were going on, would be nearly the same as if a gold mine had been discovered in this country; and the exportation would tend to raise, instead of depressing the exchange.

Let it be further supposed, that the commodities which we are in use to export to the Continent, consist either of articles of manufacture, the prices of which, from the improvement of machinery, are little affected by the expense of labour, or of colonial produce raised by means of labour, the price of which has not been materially increased, and that from the circumstances of the other states of Europe there is no rival nation to compete with us in these commodities, our goods will continue to find sales in the Continental markets, so as to create a general balance of trade in favour of this country, notwithstanding the depreciation of money here: and, while that is the case, it is perfectly clear, that though we may have very little gold and silver in circulation, and no more bullion than what is necessary for our manufactures, yet our exchanges, real as well as nominal, with the Continent, will continue to be in our favour, in the same manner as if we were paying in specie. Neither would the circumstance, here

supposed, have the effect of raising the market price of bullion in this country, seeing that, as long as the exchange was at or above par, bullion could be commanded by our paper currency, from foreign countries, at the mint price.

And these circumstances are not essentially different from those that have taken place in this country, within the last sixteen years.

It may be further observed, on this branch of the subject, that a depreciation of our currency alone could have given no tendency to the precious metals to flow out of this country, as they have shewn a strong tendency to do, without regard to the state of the exchange; seeing a depreciation of currency implies no depreciation of bullion, which, on the contrary, would rise in its nominal price, along with all other commodities, and might continue equally dear here as in other countries; so that there would be no temptation to export it.

It has been said, that the supposed depreciation of our currency has been occasioned by the bankers having issued an excessive quantity of their notes. But it has never yet been once attempted to be explained, how such an excessive issue could take place; or, if it did take place, how it could be maintained

in circulation : and a few observations will suffice to shew, that, under the present mode of issuing our paper currency, this can never happen.

No bank issues its notes but in the way of loans or advances, to be repaid at short dates, on bills discounted, or other securities.

In the case of the country banks, all the notes issued by them more than the circulation will absorb, are instantly returned upon them, and must be provided for, either by specie, by Bank of England notes, or by drafts on their bankers in London, in whose hands funds are impressed for the purpose, or kept ready at command, in the shape of Exchequer bills, or other transferable securities ; so that no excess of currency from their issues can possibly take place.

With regard, again, to the Bank of England, its notes are continually returning upon it, for the purpose of retiring discounted bills, or in repayment of its advances in anticipation of taxes,—no payments being received by the bank but in its own notes, or in specie ; so that the daily return of its notes must, on the average, be nearly equal to its daily issues. It is evidently against any man's interest to keep more of these notes in his possession than he has immediate occasion for ; and, as they cannot be obtain-

ed from the bank but at a certain expense, no more will be drawn out than what is wanted for immediate use. But if there should happen, at any time, to be more of them drawn out by the merchants, or by the government, than can be employed in circulation, this excess will be immediately perceived in the diminished demand for fresh discounts. The superfluous quantity will speedily find its way into the hands of the private bankers, and by them will either be employed in retiring bills due at the bank, or in loans to the merchants, which would in so far lessen the applications for discounts at the bank; so that, in this way, its issues of notes can never permanently exceed the real employment for them: and it would surely be absurd, in these circumstances, to suppose that any person could be laid under the necessity of disposing of the bank's notes at an undervalue, by way of getting rid of an unprofitable commodity, while they must be in constant and daily request, in order to retire the bills impledged for their return.

It is equally a mistake to suppose, that the issues of the provincial banks depend upon, and are proportionate to, the issues of the Bank of England.

It is no doubt true, that, as the restriction applies only to the Bank of England, the security of the provincial banks rests on the restriction of the Bank of

England ; but it does not follow from this, that the issues of the provincial banks must always be proportionate to those of the Bank.

So long as the provincial banks enjoy the public confidence, they will not be exposed to any great demand, either for specie or Bank of England notes. In place, therefore, of keeping Bank of England notes in their coffers, to any great amount, it is the practice among them to establish a credit with a banker in London, on whom they give drafts in return for their own notes, of which the payment is demanded. All these drafts come into the daily clearing account among the London bankers, the balance of which only is paid in Bank of England notes : and it is evident that this balance may be very small, or almost nothing, though the transactions which terminate in it may have been very considerable : and what shews, in point of fact, that the circulation of the country banks depends very little on that of the Bank of England, is this, that the number of the country banks has been greatly more than doubled since the year 1802; and yet the circulation of the Bank of England notes, of 5*l.* or upwards, has only increased about one-fourteenth part.

If, while the country bankers had the option of paying in Bank of England notes, these notes were

exchangeable into specie at the Bank of England, the country bankers would be necessitated to keep a large stock, either of these notes or of specie, continually by them, and their issues would be proportionate to that stock; because, in such case, they might be exposed to an extraordinary demand for Bank of England notes to be converted into gold: but, at present, while the Bank of England notes are not so convertible, there can be no just cause for such extraordinary demand, and, of course, no provision will be made for it.

Lastly, it may be observed, that, even admitting the evidence of a depreciation of our currency to its fullest extent, it leaves the fall in the value of money, previous to summer 1808, the existence of which must have been felt by every person, wholly unexplained and unaccounted for; and, since the year 1808, it can only account for the depreciation to the amount of from 6 to 10 per cent.

Note.—Since this was written, the Author has seen Mr Bosanquet's Pamphlet on the subject of the preceding Section; and he is happy to find, that, in the inferences drawn from the state of the Exchange, &c., they in general coincide.

E

The following are some of the things
 which are done in the different
 departments of the Government
 and which are done in the
 different departments of the
 Government.

TABLES

ILLUSTRATIVE OF THE PRECEDING

OBSERVATIONS.

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TABLE I.

ABSTRACT of the yearly Importation and Exportation of Corn of all sorts. Of the Prices at which the Importation of Wheat was permitted, and the actual Prices of Wheat in England and Wales, from 1700 to 1810, both inclusive.

FIRST PERIOD—from 1700 to 1763 inclusive.

	Total Ex- portation.	Total Im- portation.	Excess of Exportation.	Excess of Importation	Importation price of Wheat, including duty.	Average actual Price for England.
	Quarters.	Quarters.	Quarters.	Quarters.		
1700	140,147	239	139,908		L. 3 9 4	L. 2 0 0
1	214,927	21	214,906		3 9 4	1 17 8
2	230,167	1	230,166		3 9 4	1 9 6
3	360,028	52	359,976		3 9 4	1 16 0
4	253,422	2	253,420		3 9 4	2 6 6
5	279,128		279,128		3 9 4	1 10 0
6	389,592	656	388,936		3 9 4	1 6 0
7	224,215	12	224,203		3 9 4	1 8 6
8	238,858	186	238,672		3 9 4	2 1 6
9	536,607	2,232	534,375		3 9 4	3 18 6
1710	122,502	1,260	121,242		3 9 4	3 18 0
1	303,199	19	503,180		3 9 4	2 14 0
2	421,082	1	421,081		3 9 4	2 6 4
3	536,752		536,752		3 9 4	2 11 0
4	481,521	37	481,484		3 9 4	2 10 4
5	349,516		349,516		3 9 4	2 3 0
6	404,865		404,865		3 9 4	2 8 0
7	366,244	62	366,182		3 9 4	2 5 6
8	567,382	21	567,361		3 9 4	1 18 10
9	605,322	320	605,002		3 9 4	1 14 9½
1720	456,050	254	455,796		3 9 4	1 17 0
1	563,688	445	563,243		3 9 4	1 17 6

8,239,394

L.47 18 5½

TABLE I.

FIRST PERIOD—from 1700 to 1763 inclusive.

	Total Ex- portation.	Total Im- portation.	Excess of Exportation.	Excess of Importation	Importation price of Wheat, including duty.	Average actual Price for England
	Quarters.	Quarters.	Quarters.	Quarters.		
	Brought forward		8,239,394			L.47 18 5½
1722	654,471	1	654,470		L.3 9 4	1 16 0
3	526,267	262	526,005		3 9 4	1 14 9
4	525,947	61,798	464,149		3 9 4	1 17 0
5	578,232	2,187	576,045		3 9 4	2 8 6
6	555,669	20	555,649		3 9 4	2 6 0
7	350,083	117	349,966		3 9 4	2 2 0
8	219,064	198,595	20,469		3 9 4	2 14 6
9	174,450	373,655		199,205	3 9 4	2 7 6
1730	331,812	95,612	236,200		3 9 4	1 16 0
1	367,078	19,400	347,678		3 9 4	1 13 0
2	410,737	12,044	398,693		3 9 4	1 6 9
3	719,117	16	719,101		3 9 4	1 8 4
4	759,555	19	759,536		3 9 4	1 17 9
5	490,868	6,449	484,419		3 9 4	2 3 0
6	359,898	286	359,612		3 9 4	2 0 4
7	624,159	42	624,117		3 9 4	1 17 9
8	923,459	29	923,430		3 9 4	1 15 6
9	595,838	80	595,758		3 9 4	1 17 6
1740	243,762	8,553	235,209		3 9 4	2 15 0
1	184,396	158,437	25,959		3 9 4	2 7 0
2	600,297	76	600,221		3 9 4	1 12 0
3	774,524	24	774,500		3 9 4	1 5 0
4	596,075	75	596,000		3 9 4	1 4 11
5	787,056	24	787,032		3 9 4	1 7 6
6	638,835	4	638,831		3 9 4	1 19 0
7	868,382	27	868,355		3 9 4	1 14 10
8	1,123,953	20	1,123,933		3 9 4	1 17 0
9	1,250,306	431	1,249,875		3 9 4	1 17 0
1750	1,667,778	319	1,667,459		3 9 4	1 12 6
1	1,048,321	2,308	1,046,016		3 9 4	1 18 6
			26,443,081	199,205		L.104 10 11

TABLE I.

FIRST PERIOD—from 1700 to 1763 inclusive.

	Total Ex- portation.	Total Im- portation.	Excess of Exportation.	Excess of Importation	Imputation price of Wheat, including duty.	Average actual Price for England.
	Quarters.	Quarters.	Quarters.	Quarters.		
	Brought forward		26,443,081	199,205		L. 104 10 11
1752	886,712	14,629	872,083		L. 3 9 4	2 1 10
3	683,244	7,066	676,178		3 9 4	2 4 5
4	795,697	57,047	738,650		3 9 4	1 14 9
5	665,739	2,899	662,840		3 9 4	1 13 9
6	408,170	56,461	351,709		3 9 4	2 5 3
7	80,656	167,301		86,645	law suspended.	3 0 0
8	22,484	64,561		42,077	3 9 4	2 10 0
9	484,916	1,688	483,228		3 9 4	1 19 10
1760	752,434	12	752,422		3 9 4	1 16 6
1	925,119	73	925,046		3 9 4	1 10 3
2	763,070	18,432	744,638		3 9 4	1 19 0
3	661,212	238,248	422,964		3 9 4	2 0 9
			33,072,839	327,927		L. 129 7 3
			327,927			
	Total excess of exportation		32,744,912			
	Average annual excess		511,639			
	Average price of Wheat for these 64 years					L. 2 0 5

TABLE I.

SECOND PERIOD—from 1763 to 1794.

	Total Ex- portation.	Total Im- portation.	Excess of Exportation.	Excess of Importation	Importation price of Wheat, including duty,	Average actual Price for England.
	Quarters.	Quarters.	Quarters.	Quarters.		
1764	675,459	139,931	535,528.		L.3 9 4	L.2 6 9
5	457,730	218,031	239,699		3 9 4	2 14 0
6	302,794	247,518	54,276		law suspended.	2 1 6
7	50,481	907,420		856,939	ditto.	3 4 6
8	40,256	649,173		608,917	ditto.	3 0 6
9	119,190	114,273	4,917		ditto.	2 3 1
1770	294,866	124,225	170,639		3 9 4	2 9 0
1	96,573	217,375		120,802	3 9 4	2 7 2
2	61,685	140,651		78,966	law suspended.	2 10 8
3	44,070	520,598		476,528	2 8 0	2 11 0
			1,005,059	2,142,152		L.25 8 2
				1,005,059		

Total excess of Importation - 1,137,093

Yearly average 113,709 Quarters.

Average price of Wheat for these ten years - - L. 2 10 10

1774	51,099	926,174		875,075	L.2 8 0	L.2 12 8
5	191,007	1,163,407		972,400	2 8 0	2 8 4
6	448,301	449,901		1,100	2 8 0	1 18 2
7	315,127	690,033		374,906	2 8 0	2 5 6
8	340,924	417,138		76,614	2 8 0	2 2 0
9	378,116	406,073		27,957	2 8 0	1 13 8
1780	471,819	224,616	247,275		2 8 0	1 15 8
1	317,251	297,864	19,387		2 8 0	2 4 8
2	326,344	141,407	184,937		2 8 0	2 7 10
3	134,159	1,070,960		936,801	2 8 0	2 12 8
			451,599	3,264,853		L.22 1 2
				451,599		

Total excess of Importation - 2,813,254

Yearly average 281,325 Quarters.

Average price of Wheat for these ten years - - L.2 4 1 $\frac{1}{4}$

TABLE I.

SECOND PERIOD—from 1763 to 1794.

	Total Ex- portation.	Total Im- portation.	Excess of Exportation.	Excess of Importation.	Importation price of Wheat, including duty.	Average actual price for England.
	Quarters.	Quarters.	Quarters.	Quarters.		
1784	187,395	631,722		444,327	L. 2 8 0	L. 2 8 10
5	353,433	497,738		144,305	2 8 0	2 1 10
6	359,402	631,662		272,260	2 8 0	1 18 10
7	303,666	664,525		360,059	2 8 0	2 1 2
8	356,555	584,918		228,363	2 8 0	2 5 0
9	513,019	564,576		51,563	2 8 0	2 11 2
1790	312,816	1,046,515		833,699	2 8 0	2 13 2
1	146,743	1,380,436		1,233,693	2 12 6	2 7 0
2	417,390	1,008,401		591,011	2 12 6	2 2 11
3	117,686	1,382,701		1,265,015	2 12 6	2 8 11
4	154,170	1,462,575		1,308,405	2 12 6	2 11 8
Excess of Importation				6,732,700		L. 25 10 6
Yearly average 612,063 Quarters.						
Average price of Wheat for these eleven years					- -	L. 2 6 5
Average price for 16 years, 1779 & 1794 inclusive					-	L. 2 5 4
Average price for 31 years, 1764 & 1794 inclusive					-	L. 2 7 1

Difference on the average of the 16 years, 1779 and 1794 inclusive, and the average of the succeeding 16 years, 1795 and 1810 inclusive, 73½ per cent. on the former.

TABLE I.

THIRD PERIOD—from 1794 to 1800.

	Total Ex- portation.	Total Im- portation.	Excess of Exportation.	Excess of Importation	Importation price of Wheat, including duty.	Average actual price for England.
	Quarters.	Quarters.	Quarters.	Quarters.		
1795	18,208	822,831		804,623	L.2 12 6	L.3 14 2
6	38,757	1,875,646		1,836,889	2 12 6	3 17 1
7	74,207	1,146,250		1,072,057	2 12 6	2 13 1
8	82,438	1,295,276		1,212,838	2 12 6	2 10 3
9	89,483	1,008,808		919,325	2 12 6	3 7 6
1800	33,169	2,030,875		1,997,706	2 12 6	5 13 7
1					2 12 6	5 18 3
2					2 12 6	3 7 5
3					2 12 6	2 16 6
4					3 5 6	3 0 1
5					3 5 6	4 7 10
6					3 5 6	3 19 0
7					3 5 6	3 13 3
8					3 5 6	3 19 0
9					3 5 6	4 15 7
1810					3 5 6	5 6 3
Total excess of Importation				7,843,438		L.62 18 10
Yearly average 1,807,239 Quarters.						
Average price of Wheat for these 16 years						L.3 18 8
Average price for ten years, 1801 & 1810 inclusive						L.4 2 3½
Ditto for six years, 1805 & 1810 inclusive						4 6 10
Ditto for three years, 1808 & 1810 inclusive						4 13 7

NOTE.—The accounts of the yearly importation and exportation of Corn having been taken from different sources of information, may not be in every instance minutely correct; but any inaccuracy of this kind can have no effect on the general argument. It was intended to have completed them to the year 1811; but this was delayed for want of the necessary information. There is no reason to believe, however, that the average excess of importation for the years 1801 & 1810 inclusive, has been under the average excess for the years 1795 & 1800 inclusive. Had the usual consumption of the distillery been going on, it must have been still greater.

REMARKS.

1. It will be observed, that the great change by which Britain, from being an exporting, became an importing country of corn, took place at or about the conclusion of the war which terminated in 1763, and was probably the consequence of that war, which contributed more than perhaps any preceding one, to the increase of the wealth and power of the empire.

2. So long as Britain continued an exporting country of corn, the importation price of wheat, however high, had no effect whatever in keeping up the actual price of it: but, so soon as it became an importing country, the importation price had an obvious influence on the actual price. This influence seems to have been greatest immediately after the change took place, probably because a provision for this new demand was not yet regularly established in

the foreign markets. The average price of wheat was, accordingly, higher during the ten years from 1763 to 1773, than for the succeeding ten years from 1773 to 1783, or from 1783 to 1793. This, however, may have been in part owing to the then debased state of the gold coin which was reformed in 1773 and 1774.

3. The excess of our importation over our exportation of corn, seems to have increased in the greatest ratio since the year 1789, the commencement of the troubles in France; and from the enormous amount to which that excess has now arisen, the nominal price of corn in this country must be considered, in a great measure, if not altogether, regulated by the prices at which importation is permitted.

4. Keeping in view the effect of this great change in the circumstances of this country, there seems to be nothing in the price of corn that can warrant the conclusion, that any general depreciation of money had taken place from the year 1700 to 1794; and, assuming the price of wheat as the standard, the value of money must be held to have risen rather than fallen, during the last 31 years of that period.

5. The two great and fundamental errors in our

internal economy, to which the late depreciation of money, and the continued suspension of our payments in specie are to be principally ascribed, seem to have been these.

1. The assumption of the fallacious principle, that to raise, by artificial means, the price of corn, would, by encouraging agriculture, increase production, and ultimately tend to lower the price of corn. This principle appears to have been acted upon in raising the importation prices of corn in the year 1791, and probably had also some effect in again raising these prices in the year 1804.

2. The raising of the nominal price of labour, in order to enable the labourer to pay the enhanced prices of provisions, which may be considered as the necessary consequence of the former. This was first acted upon in the year 1795*; again in the years 1800 and 1801; and, lastly, since the year 1804: and this increased price of labour was, in its turn, made the principal ground for raising the importation prices of corn in 1804. The exactness with which the price of labour has adjusted itself to the enhanced price of corn since 1795, shews clearly the connection betwixt them.

* See Burke's Tract, entitled, *Thoughts and Details on Scarcity*, written in November 1795.

The obligation to pay in specie was the only check on this mode of depreciating money, and was operating to correct the depreciation which had taken place in 1795 and 1796, when the check itself was removed, in the beginning of the year 1797. So that, although the suspension of our cash payments was not, in itself, the direct cause of the depreciation of money, yet it was the *sine qua non*, without which the depreciation could not have taken place.

6. The alteration of the corn law in 1804 opposes the greatest obstacle, if not an absolute bar, to the resumption of our cash payments: for not only does it infer such a depreciation of money, here, as must give it a strong tendency to leave the country, but it must increase the drain, either of specie or other goods, from this country, by making us pay higher prices for the corn we import, than we otherwise would be obliged to do.

Were it not for our corn laws, the importation would be regular and gradual, and the demand would have comparatively little effect on the foreign markets; but by the operation of our corn law, the demand from this country is necessarily irregular and uncertain; and as, at all events, the existing prices in this country must be high, the foreign merchants are led to demand, and our importing merchants enabled to

give, higher prices than would otherwise have obtained. This effect of our corn law, together with the exportation of our specie, must have contributed greatly to the raising of the price of corn in the foreign market.

7. Corn, as the principal means of subsistence, must always be the ultimate real-standard of value; and the chief use of money is to regulate the nominal price of that standard; and in this respect it served as a check to keep that price within limited bounds, till the check itself was removed by the suspension of our cash payments. Since that event, the price of corn has lain under no check, excepting what may arise from the influence of its price in other countries; and this, again, lies entirely under the controul of our importation laws, and has also been prevented from operating by various causes. It seems evident, therefore, that, under these circumstances, to raise the importation prices of corn, is, in so far as the national creditors and moneyed interest are concerned, a measure of much the same nature as to raise the denomination of the coin. The practicability of paying in specie may be considered as the limit, beyond which this mode of raising prices, ought, on no account, to be carried.

It may be further remarked on this subject, that

the enhancement of the price of corn, by means of the importation laws, can ultimately have no effect whatever in encouraging agriculture, as the increased nominal amount of the gross produce will be fully counterbalanced by increased rent, increased taxes, and increased expense of management. Neither will the increase of rent ultimately benefit the landlord; so that, in the final result, the raising of our importation prices of corn can have no other effect, than that of operating, through the depreciation of money, as an indirect tax, exclusively affecting the national creditors and moneyed interest, and as a discouragement to the sale of our manufactured produce in foreign countries.

8. With regard to the effect of taxation, as connected with the depreciation of money, it may be observed, that the proper fund of taxation consists of that part of the national income which goes to the maintenance of luxury. Taxation, in this country, has generally proceeded on this principle; and, in so far as it has done so, it is evident that it could have had little or no effect on the prices either of labour, or the necessaries of life, nor, of course, on the general value of money; and, accordingly, no general depreciation of money seems to have taken place either during the course of the American war, or in consequence of it.

This fund of taxation is derived either (1.) from the profits of skill, and capital actively employed; (2.) From the rent of land; or, (3.) From the interest of money, annuities, or fixed salaries;—all of which ought to bear the burden of the taxes rateably and proportionally, according to the means of the above description respectively attached to them.

In so far as regards the third class, this fund of taxation has been much narrowed by the depreciation of money. But, as to the first and second classes, to judge from their expenditure, the fund of taxation, so far from being impaired, is probably much greater than it was at the commencement of the last war, in the year 1793.

If the above-mentioned principle be well-founded, there can be no just reason for any one of the classes being allowed to shift their share of the burden from their own shoulders, and throwing it upon those of the other; though, it must be admitted, that the depreciation of money has operated greatly to the relief of the first and second classes, at the expense of the third.

9. That the increase of national wealth or capital does not infer any depreciation of money, is clearly

shewn by Dr Smith (Wealth of Nations, Book I. Chap. 2.). The effect of such increase is, not to depreciate gold and silver, but to reduce the profits of capital, or the rate of interest; and the application of the sinking fund merely accelerates the accumulation of capital, and reduction of the rate of interest, but has no effect on the value of money.

10. If, by the re-establishment of a general commercial intercourse with other countries, the prices of corn in this country were to be reduced to the standard of the importation prices, it would speedily be found that the price of labour had adjusted itself to a still higher standard, insomuch that there would be equally just grounds for again raising the importation prices as existed in the year 1804, and to at least as great an extent. But, in the present circumstances of the country, no such measure can be proposed, without the most obvious injustice.

TABLE II.

ABSTRACT of the Average Prices of Wheat; the Course of Exchange with Hamburgh; and the Market Price of Gold, from January 1780 to January 1811; and of the Prices of the 3 per cent. Consols, from January 1792 to January 1811.

The per centage on the Exchange is computed from the par of 34 3½ Flemish Shillings to the Pound Sterling, and the right hand figures are decimal parts.

Dates.	Average price of Wheat per quarter for England and Wales.	Course of Exchange with Hambro'.	Per Centage in favour of London.	Per Centage against London.	Price of stand-ard Gold per ounce.
1780 Jan.	L.1 15 8	34.6	0.6		L.3 17 6
April,		35.2	2.25		3 17 6
July,		34.8	1.1		3 17 6
Oct.		33.10		1.33	3 17 6
1781 Jan.	2 4 8	34.1		0.6	3 17 6
April,		33.7		2.06	3 17 6
July,		32.1		6.44	3 17 6
Oct.		31.11		6.92	3 17 6
1782 Jan.	2 7 10	31.9		7.41	3 17 6
April,		32.11		4.02	3 17 6
July,		32.11		4.02	3 17 6
Oct.		31.8		7.65	3 17 9
1783 Jan.	2 12 8	32.7		4.97	3 17 9
April,		31.9		7.41	3 18 0
July,		31.6		8.13	3 18 0
Oct.		32.9		4.5	3 18 0

Dates.	Wheat per Quarter.	Exchange with Hambro'.	Per Centage in favour of London.	Per Centage against London.	Price of Gold per ounce.	Price of 3 p. cent. Consols.
1784 Jan.	L.2 8 10	33.8		1.82	L.3 18 0	
April,		34.3		0.12	3 18 0	
July,		34.3		0.12	3 17 10 $\frac{1}{2}$	
Oct.		34.7	0.85		3 17 10 $\frac{1}{2}$	
1785 Jan.	2 1 10	35.	2.06		3 17 10 $\frac{1}{7}$	
April,		35.4	3.03		3 17 10 $\frac{1}{2}$	
July,		35.4	3.03		3 17 6	
Oct.		35.3	2.8		3 17 6	
1786 Jan.	1 18 10	34.10	1.57		3 17 6	
April,		34.11	1.82		3 17 6	
July,		34.6	0.6		3 17 6	
Oct.		34.4	0.12		3 17 6	
1787 Jan.	2 1 2	34.5	0.36		3 17 6	
April,		34.7	0.85		3 17 6	
July,		34.9	1.33		3 17 6	
Oct.		34.11	1.82		3 17 6	
1788 Jan.	2 5 0	35.1	2.3		3 17 6	
April,		35.5	3.27		3 17 6	
July,		35.1	2.3		3 17 6	
Oct.		34.11	1.82		3 17 6	
1789 Jan.	2 11 2	34.11	1.82		3 17 6	
April,		35.7	3.78		3 17 6	
July,		35.7	3.78		3 17 6	
Oct.		35.3	2.8		3 17 6	
1790 Jan.	2 13 2	35.	2.06		3 17 6	
April,		35.6	3.51		3 17 6	
July,		35.7	3.78		3 17 6	
Oct.		35.10	4.5		3 17 6	
1791 Jan.	2 7 0	35.7	3.78		3 17 6	
April,		35.10	4.5		3 17 6	
July,		35.10	4.5		3 17 6	
Oct.		35.4	3.03		3 17 6	
1792 Jan.	2 2 11	34.9	1.33		3 17 6	90 $\frac{1}{2}$
April,		34.4	0.12		3 17 6	95
July,		34.5	0.36		3 17 6	91
Oct.		34.3		0.12	3 17 6	89 $\frac{1}{2}$
1793 Jan.	2 8 11	35.3	2.8		3 17 6	76
April,		38.2	11.29		3 17 6	78 $\frac{1}{2}$
July,		36.5	6.2		3 17 6	77
Oct.		35.8	4.02		3 17 6	75
1794 Jan.	2 11 8	35.10	4.5		3 17 6	70
April,		36.7	6.68		3 17 6	68
July,		36.	4.97		3 17 6	67
Oct.		33.3		3.03	3 17 6	64

Dates.	Wheat per Quarter.	Exchange with Hambro'.	Per Centage in favour of London.	Per Centage against London.	Price of Gold per ounce.	Price of 3 p. cent. Consols.
1795 Jan.	L.2 15 5	34.10	1.57		L.3 17 6	62½
April,	3 1 2	34.8	1.1		3 17 6	65
July,	4 1 —	32.3		5.95	3 17 6	67½
Oct.	3 14 2	32.9		4.5	3 17 6	67½
1796 Jan.	4 11 3	33.		3.78	4 4 to	68
April,	4 18 3	34.10	1.57		4 8	67
July,	4 1 5	33.7		2.06	3 17 6	59
Oct.	3 2 2	34.6	0.6		3 17 6	59
1797 Jan.	2 16 —	35.5	3.27		3 17 6	55
April,	2 9 6	35.6	3.51		3 17 6	51
July,	2 9 8	36.7	6.68		3 17 10½	52
Oct.	3 3 5	37.10	10.3		3 17 10½	50
1798 Jan.	2 11 2	38.2	11.29		3 17 10½	48
April,	2 11 3	37.8	9.82		3 17 10½	49
July,	2 10 8	37.7	9.58		3 17 10½	47½
Oct.	2 9 2	37.9	10.06		3 17 9	51
1799 Jan.	2 8 9	37.8	9.82		3 17 9	53
April,	2 16 1	36.10	7.41		3 17 9	55
July,	3 3 10	35.2	2.55		3 17 9	62
Oct.	3 16 1	32.		6.68	3 17 9	60
1800 Jan.	4 12 7	31.6		8.13	4 — —	61½
April,	5 8 3	31.8		7.65	4 — —	64
July,	6 14 5	32.3		5.95	4 — —	63
Oct.	4 19 6	32.2		6.2	4 6 —	64
1801 Jan.	6 19 —	31.5 to 29.8		8.37	4 6 —	60
April,	7 14 8	31.4		8.61	4 3 —	61
July,	6 9 8	31.7		7.89		60½
Oct.	4 6 6	32.8		4.73		68
1802 Jan.	3 15 6	32.		6.68		68
April,	3 9 10	33.1		3.51	4 3 6	77
July,	3 6 10	33.3		3.03		74
Oct.	3 1 10	33.5		2.55		68
1803 Jan.	2 16 9	34.3		0.12		70
April,	2 16 5	34.2		0.36		64
July,	2 19 7	34.2		0.36		54
Oct.	2 14 6	34.5	0.36			53
1804 Jan.	2 12 3	34.8	1.1		4 — —	55
March,	2 9 7	35.	2.06		4 — —	56
April,	2 10 9	35.10	4.5		4 — —	56
July,	2 12 1	35.8	4.02		4 — —	56
Oct.	3 5 10	35.8	4.02		4 — —	57
1805 Jan.	4 6 2	35.6	3.51		4 — —	60
April,	4 11 11	35.5	3.27		4 — —	58
July,	4 13 5	35.7	3.78		4 — —	59
Oct.	4 4 11	33.9		3.03	4 — —	58

Dates.		Wheat per Quarter.	Exchange with Hanibro'.	Per Cent- age in fa- vour of London.	Per Cent- age against London.	Price of Gold per ounce.	Price of 3 p. cent. Consols.
1806	Jan.	L.3 15 11	33.8			1.82	59
	April,	3 14 5	34.2			0.36	60
	July,	4 1 10	34.5	0.36			62
	Oct.	4 — 2	33.6			2.3	61
1807	Jan.	3 16 9	34.8	1.1			59
	April,	3 16 10	34.10	1.57			62
	July,	3 13 —	34.5	0.36			62
	Oct.	3 10 5	34.4	0.12			62
1808	Jan.	3 9 5	34.4	0.12			63
	April,	3 10 1	34.6	0.6			66
	July,	4 1 1	35.5	3.27			68
	Oct.	4 6 5	33.			3.78	66
1809	Jan.	4 10 4	31.3			8.86	65
	April,	4 14 1	31.			9.58	68
	July,	4 8 1	28.8			16.4	68
	Oct.	5 8 10	29.			15.42	68
1810	Jan.	5 1 6	28.9			16.15	68
	April,	5 5 4	31.			9.58	69
	July,	5 13 4	30.2			12.02	69
	Oct.	5 1 1	30.10				66
1811	Jan.	4 14 7	26.6			22.7	66

In stating the exchange, the Author has purposely avoided taking into account the occasional variations in the relative values of gold and silver, as these appear to be of such an undefined or accidental nature as to be unfit to be assumed as the ground of any general conclusions: and, at any rate, it does not appear that the doing so could have any ways tended to invalidate the hypothesis maintained by him.

REMARKS.

1. The effect of the depreciation, in increasing the floating capital, and making money plentier in the market, will be apparent from observing the fluctuation of the three per cents. after January 1795.

From the beginning of the war, in 1793, they had continued gradually to fall till January 1795; but from that time they gradually rose, along with the price of corn, till spring 1796, when they again sunk with the price of corn, till they reached their lowest point of depression in summer 1798. They did not much recover till spring 1799, when they again rose with the price of corn, and continued high during the whole of the year 1800, and afterwards till the peace.

In like manner, after the renewal of the war in 1803, they shewed little signs of recovery, till the high prices commenced in harvest 1804; since which, their fluctuations have corresponded pretty regularly with those of the price of corn.

Had it not been for the Bank restriction, the dearth of corn would have tended to depress, in place of raising, the price of the public funds.

2. It will be observed, that the fluctuations in the price of gold bullion have uniformly been dependent on the state of the exchange. Thus, the first instance in which it rose above the mint price was during the depressed state of the exchange in 1783; the second instance during the depression of the exchange in 1795; the third instance in 1800, 1801, and 1802; and the last instance in 1809 and 1810.

3. The unusually high state of the exchange during the years 1797 and 1798, may, perhaps, have been owing to the lessened demand for specie in this country, after the suspension of our cash payments. So that the difference on the exchange might extend to the expense not only of the transmission, but of the re-transmission of bullion, or to double its usual limit.

4. The drain of specie which preceded the suspension, may be accounted for by the effect of the real depreciation of money which had taken place in 1795 and 1796, with at least as much probability as by the practice of hoarding, through the fear of invasion, the cause to which it was ascribed at the time, and which it is difficult to conceive could be carried to such an extent as materially to affect the circulation of the kingdom.

TABLE III.

ABSTRACT of the amount of Bank of England Notes in circulation.

				L. 5 and upwards, including post bill.	Under L.5	Total
Average of	1790	-	-	L. 10,217,360		L. 10,217,360
	1791	-	-	11,699,140		11,699,140
	1792	-	-	11,349,810		11,349,810
	1793	-	-	11,493,125		11,493,125
	1794	-	-	10,699,520		10,699,520
1795	Jan. 31	-	-	12,715,310		12,715,810
	Feb. 28	-	-	14,017,850		14,617,850
	Mar. 28	-	-	10,444,359		10,444,350
	April 24	-	-	12,040,110		12,040,110
	May 30	-	-	10,316,600		10,316,600
	June 27	-	-	10,661,920		10,661,920
	July 24	-	-	11,420,350		11,420,350
	Aug. 29	-	-	11,176,280		11,176,280
	Sept. 26	-	-	10,775,130		10,775,130
	Oct. 31	-	-	11,082,120		11,082,120
	Nov. 28	-	-	11,503,110		11,503,110
	Dec. 24	-	-	11,696,270		11,696,270
1796	Jan. 29	-	-	10,746,650		10,746,650
	Feb. 27	-	-	10,647,720		10,647,720
	Mar. 26	-	-	10,287,180		10,287,180
	April 30	-	-	11,661,760		11,661,760
	May 28	-	-	10,303,630		10,303,630
	June 25	-	-	9,882,190		9,882,190
	July 30	-	-	9,788,480		9,788,480
	Aug. 27	-	-	9,427,510		9,427,510
	Sept. 24	-	-	9,409,050		9,409,050
	Oct. 29	-	-	9,744,510		9,744,510
	Nov. 26	-	-	9,914,970		9,914,970
	Dec. 31	-	-	9,204,500		9,204,500
1797	Jan. 28	-	-	10,024,740		10,024,740
	Feb. 25	-	-	8,640,250		8,640,250

Prior to March 1797, there were not any Bank of England Notes in circulation under the value of £5.

TABLE III.

ABSTRACT of Bank of England Notes in circulation.

			£5. and upwards, including post bill.	Under £ 5.	Total.
1798	Feb. 1	- -	L. 11,855,430	L. 1,541,910	L. 13,397,340
	May 1	- -	13,160,030	1,956,060	15,116,090
	Aug. 1	- -	10,397,340	1,928,090	12,325,430
	Nov. 1	- -	10,696,100	1,814,950	12,511,050
1799	Feb. 1	- -	12,066,310	1,680,010	13,746,320
	May 1	- -	12,774,340	1,663,500	14,437,900
	Aug. 1	- -	12,279,540	1,600,000	13,879,540
	Nov. 1	- -	12,513,900	1,671,650	14,185,550
1800	average above	- -	- - -	- - -	15,000,000
1801	average	- -	13,454,367	2,715,182	16,169,549
1802	- -	- -	13,917,977	3,136,477	17,054,454
1803 to 1807,	average about	- -	- - -	- - -	17,000,000
1808	May 1	- -	13,429,640	4,062,260	17,491,900
	Aug. 1	- -	13,521,380	4,123,290	17,644,670
	Nov. 1	- -	13,255,460	4,211,710	17,467,170
1809	Feb. 1	- -	13,226,860	4,333,200	17,560,060
	May 1	- -	14,137,410	4,509,470	18,646,880
	Aug. 1	- -	14,649,090	5,162,240	19,811,330
	Nov. 1	- -	14,481,100	5,468,190	19,949,290
1810	Jan. 7	- -	13,864,950	5,663,080	19,528,030
	20	- -	14,699,090	5,914,400	20,613,490
	Feb. 1	- -	15,040,360	5,894,040	20,934,400
	23	- -	14,775,580	5,857,500	20,633,080
	Mar. 3	- -	14,795,110	5,922,900	20,718,010
	April 7	- -	14,703,580	6,104,170	20,807,750
	May 5	- -	15,143,910	6,161,020	21,304,930
	12	- -	15,009,290	6,114,540	21,123,830

REMARKS.

1. It will be evident, on comparing the preceding Table with the Table, No. 2, that, although for the first two years after the Bank restriction, the quantity of its notes was greatly increased, yet this had no effect whatever in raising prices. On the contrary, the prices, both of provisions and of the public funds, continued gradually to fall till spring 1799, when the price of corn was first raised, by the unfavourable prospect of that year's crop; which shews that the mere increase of our paper circulation was not the efficient cause of the rise of prices.

2. The most considerable increase of the Bank's circulation took place in the years 1800, 1801, and 1802; after which it continued nearly stationary till 1809, excepting in the articles of 1*l.* and 2*l.* notes, which have gone on progressively to increase as guineas have been withdrawn from circulation, and melted or exported. During 1809 and 1810, the Bank's circulation again underwent a considerable

increase: but this, also, chiefly in the small notes, owing to the depressed state of the exchange draining the country still more of its gold; and partly, also, to the increased exertion in our manufacturing industry and export trade, to which our great foreign expenditure acted as a powerful stimulus.

3. The real increase of the total circulation of the country is not to be measured by the increase of bank notes; but allowance must be made for the specie withdrawn.

If the following estimate be correct, it will be found, that the absolute increase of circulating medium since the Bank restriction, has been much less than what is commonly supposed.

Circulation in 1794.

Paper—Bank of England	- - -	L. 11,000,000
Other Banks, say 250, at 35,000 <i>l.</i> each		8,750,000
		<hr/>
		L. 19,750,000
Specie, at the lowest estimate by the Earl of Liverpool, viz.		
Gold	- - -	L. 25,000,000
Silver	- - -	5,000,000
		<hr/>
		30,000,000
		<hr/>
		L. 49,750,000
Deduct Bankers Deposits, say	-	7,750,000
		<hr/>
Real circulation in 1794	-	L. 42,000,000

Circulation in 1810.

Paper—Bank of England	- - -	L. 20,000,000
Other Banks, 735, at 35,000 <i>l.</i> each		25,725,000
		<hr/>
		L. 45,725,000
Specie—Gold	- - -	L. 3,000,000
Silver	- - -	4,000,000
		<hr/>
		7,000,000
		<hr/>
		L. 52,725,000
Deduct Bankers Deposits, say	-	2,725,000
		<hr/>
Real circulation in 1810	-	L. 50,000,000

Making an addition of eight millions to the total circulation in 1794.

In place of this addition implying any excess in our circulating medium, the wonder is how the business of the country can now be carried on with so small an addition to it: for not only has there been a great increase of our trade since the 1794, but the effect of the corn-law of 1804, alone, must have been to raise the prices of provisions and labour about 24 per cent. above their prices in 1794; and, of course, must have given employment to a corresponding addition to our circulating medium, and this altogether independent of the other accidental causes by which the prices of provisions and labour have been kept up, generally far above the standard of the corn-law of 1804. So far, therefore, from the circulating medium having been issued to excess, it is evident that it must have been managed with much greater economy than formerly. -

4. It will be observed, on comparing the two Abstracts, No. 2 and 3, that the state of our foreign exchanges has been noways connected with the increase or diminution of our paper currency. Thus, after its depression in 1795, the par of the exchange was restored in the beginning of 1796, without any restriction of our paper currency. A restriction, indeed, afterwards took place; but this was owing to an entirely different cause, the run on the Banks, in

the end of 1796 and beginning of 1797, after the exchange was restored.

Again, after the great and long continued depression in 1800, 1801, and 1802, the par of the exchange was restored, under an increasing rather than a diminishing paper circulation in 1803 and 1804.

The reduction of our paper circulation, indeed, never can be the means of restoring the exchange. The only way of correcting an unfavourable exchange, is by increasing our exportations relatively to our importations, which a low rate of exchange holds out a strong inducement to do; and this may be done with equal effect, either by exporting bullion or other goods. The export of bullion generally occasions a demand on the banks for gold; and this may induce them to restrict their paper circulation; but such reduction is evidently the consequence of adopting that method of restoring the exchange, and not the means of restoring it.

If a reduction, or great restriction of our paper circulation were now to be adopted, as the means of enforcing the re-importation of gold, this must necessarily expose the trading part of the community to great inconvenience and distress; and gold might be re-imported, but under circumstances of great na-

tional disadvantage, as our goods would be given away for probably less than half their value in exchange for it. But, in place of restoring the par of the exchange, the importation of gold, like the importation of any other commodity, would increase the balance against us, and must have the effect of depressing the exchange, as much as the exportation of our gold had the effect of supporting it. In the present circumstances of the country, however, any measure of this kind seems to be altogether impracticable.

5. Were it declared that the banks should pay in specie against a given time, they would be induced, from a regard to their own safety, to call in their notes before that period arrived. But they could do so without putting specie in their place. They have only to discontinue their issues for a few months, and the whole of their notes would be returned to them; not for payment in specie, but to retire the bills and other obligations, on the security of which they were issued. The distress, therefore, would be more felt by the public than by the banks, and most justly; because it was by them, and not by the bankers, that the gold and silver were abstracted from circulation, and melted or exported.

TABLE IV.

COMPARATIVE values of the Annuities payable to the National Creditors in the year 1797, and in the year 1810, converted into Wheat; the first according to the average price of six years, 1789 & 1794 inclusive; and the second according to the average price of six years, 1805 & 1810 inclusive.

The amount of the annuities payable to the national creditors as they stood in January 1797, including the interest of the loan of £ 18,000,000 in December 1796, but exclusive of the interest of the debt redeemed, was about £ 14,000,000.

	<i>Quarters.</i>
Which converted into wheat, at the average price of the six years, 1789 & 1794 inclusive, being £ 2 : 9 : 2 per quarter, is equal to	- - 5,694,915

The amount of the annuities to the national creditors payable in 1810, exclusive of those redeemed, may be stated at about £ 23,000,000.

Which converted into wheat, according to the average price of the six years, 1805 & 1810 inclusive, being £ 4 : 6 : 10 per quarter, is equal to	- 5,297,504
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Difference in favour of the annuities 1797	- 397,411
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To which might be added 529,750 quarters for the tenth retained in 1810 in name of property tax.

This result does not proceed from inability to pay the national creditors according to the real value of their annuities, as well as to defray the expence of the war, since it could be shown, that the unmortgaged surplus produce of the capital and industry of the country and its dependencies, is certainly at least as great as it ever was at any former period.

These annuities, and the interest of money due from one individual to another, exist merely in the shape of burdens, general or special, on the active capital, and industry of the country: The real capital consists of its lands, houses, machinery, agricultural, mining and manufacturing stock, and the stock of goods on hand prepared for consumption: and it is evident, that, in proportion as the value of the national annuities and interest of money is diminished, the real capital and industry must be relieved.

The circumstance of the depreciation of money having been progressive, must have given a great stimulus to industry, as rising prices, from whatever causes produced, never fail to do.

To form an estimate of its effect in increasing floating capital,—let the real capital be stated at 2000 millions, and the depreciation to go on at the rate of 5 per cent. per annum;—here is a nominal addition to the fund of credit of the country of 100 millions yearly.

The exportation of our specie must have also considerably increased the resources of the country.

CONCLUSION.

UPON the whole of what is before stated, it may be concluded,

1. That the depreciation of money within the period of the last sixteen years, has originated from the peculiar circumstances, and internal regulations of this country, pointed out in the second branch of the foregoing observations, and not from general causes.

2. That this depreciation, which has affected gold and silver, as well as our currency, has given a tendency to these metals to flow out of this country, as well as to an increased consumption of them in our manufactures; and the same cause has presented an impediment to their return from the continent of Europe, when the exchange happened to be favourable to this country.

3. That the suspension of our cash payments has no otherways contributed to the depreciation of money, than by removing that check on the nominal prices of corn and labour, which a medium of circulation of limited extent must have necessarily imposed, and by admitting of the addition of a considerable part of our gold and silver to the stock of the rest of Europe; and that the increase of our paper currency has been merely the effect, 1. Of the enhanced prices of labour and commodities:—2. Of a real increase of our trade:—and, 3. Of the abstraction of gold and silver from circulation.

4. That the extension of our paper circulation has had no effect whatever in producing the present unfavourable state of the exchange with foreign countries: but the measure of the depression is materially affected by the disuse of specie in the circulation of this country; and the present high price of bullion is the effect of the demand for it, occasioned by the low rate of the exchange.

5. That the experiment of resuming our payments in specie cannot be tried with any chance of success, while the exchange with foreign countries is unfavourable; and that, therefore, the first step to be taken, is to restore the par of the exchange by encouraging exportation, and discouraging importation,

and by a reduction of our foreign expenditure, so soon as circumstances will permit : but the reduction of our paper circulation would, of itself, have no such effect.

Lastly, supposing the exchange favourable, the practicability of our resuming, and persevering in, the use of specie in our internal transactions, will depend not so much on our ability to procure the necessary supplies of gold and silver, as on the difficulty of reducing the enhanced prices of corn and labour which have taken place under the system of restriction of our cash payments ; and this difficulty has been greatly increased by the alteration of our corn importation laws in 1804.

THE END.

and the results in the various countries are so
different that it is impossible to draw any
conclusions from them. The only thing that
can be said is that the results are very
different.

I will suppose the average amount of
production of iron in the world is 100
million tons. In the United States it is
about 30 million tons. In Great Britain
it is about 15 million tons. In France
it is about 10 million tons. In Germany
it is about 8 million tons. In Russia
it is about 5 million tons. In Japan
it is about 2 million tons. In China
it is about 1 million tons. In India
it is about 0.5 million tons. In
Australia it is about 0.2 million tons.

The total production of iron in the world
is about 100 million tons. The United
States produces about 30 million tons.
Great Britain produces about 15 million
tons. France produces about 10 million
tons. Germany produces about 8 million
tons. Russia produces about 5 million
tons. Japan produces about 2 million
tons. China produces about 1 million
tons. India produces about 0.5 million
tons. Australia produces about 0.2 million
tons.

APPENDIX.

REVISED

APPENDIX.

ABSTRACT of the fair prices of the best Wheat, Barley and Oats
for the County of Edinburgh—from 1640 to 1809.

NOTE.—The Boll of Wheat is equal to - .5199 } English Quarters.
And the Boll of Barley or Oats to .7573 }
The first being about one half and the second about three-fourths
of the English Quarter.

Years.		Wheat p. Boll.	Barley p. Boll.	Oats p. Boll.
1640	- -	L.— 11 $1\frac{4}{12}$	L.— 10 0	L.— 7 $2\frac{8}{12}$
41	no return	— — —	— — —	— — —
42	- -	— 16 8	— 16 $1\frac{4}{12}$	— — —
43	- -	— 14 $5\frac{4}{12}$	— 11 $1\frac{4}{12}$	— 9 $5\frac{7}{12}$
44	- -	— 13 4	— 10 $6\frac{8}{12}$	— 8 $10\frac{8}{12}$
45	- -	— 11 $1\frac{4}{12}$	— 8 $10\frac{8}{12}$	— 6 8
46	- -	— 11 8	— 8 4	— 6 $1\frac{4}{12}$
47	- -	— 18 4	— 12 $2\frac{8}{12}$	— 10 $6\frac{8}{12}$
48	- -	1 1 $1\frac{4}{12}$	— 16 8	— 15 $6\frac{8}{12}$
49	- -	1 2 $2\frac{8}{12}$	— 18 4	— 16 8
50	- -	1 2 $2\frac{8}{12}$	— 17 $9\frac{4}{12}$	— 16 8
51	- -	1 0 10	— 18 4	— 16 8
52	- -	— 18 4	— 16 8	— 12 6
53	no return	— — —	— — —	— — —
54	- -	— 7 $6\frac{6}{12}$	— 7 9	— 4 $5\frac{4}{12}$
55	- -	— 11 8	— 11 $1\frac{4}{12}$	— 5 $6\frac{8}{12}$
56	- -	— 11 $11\frac{4}{12}$	— 10 $6\frac{8}{12}$	— 6 $11\frac{9}{12}$
57	- -	— 11 $1\frac{4}{12}$	— 10 $6\frac{8}{12}$	— 6 8
58	no return	— — —	— — —	— — —
59	- -	— 18 4	— 10 $6\frac{8}{12}$	— 10 10
60	- -	— 18 4	— 10 $6\frac{8}{12}$	— 10 10
61	- -	— 18 4	— 15 0	— 10 $6\frac{8}{12}$
62	- -	— 15 0	— 12 6	— 7 $9\frac{4}{12}$
63	- -	— 15 0	— 11 8	— 7 $9\frac{4}{12}$
64	- -	— 11 8	— 9 $5\frac{4}{12}$	— 5 $6\frac{4}{12}$
65	- -	— 12 6	— 9 2	— 6 4
66	- -	— 10 $6\frac{8}{12}$	— 10 0	— 6 8
67	- -	— 9 2	— 10 10	— 6 4
68	- -	— 10 6	— 10 0	— 6 8
Carried forward		L, 19 3 $0\frac{1}{2}$	L. 15 14 $8\frac{3}{12}$	L. 11 9 11

Years.	Wheat p. Boll.			Barley p. Boll.			Oats p. Boll.		
Brought forward	L. 19	3	0 $\frac{1}{2}$	L. 15	14	8 $\frac{8}{12}$	L. 11	9	11
1669 -	-	-	10	6 $\frac{8}{12}$	-	10	0	-	5
70 -	-	-	10	3 $\frac{4}{12}$	-	10	0	-	8
71 -	-	-	16	11 $\frac{4}{12}$	-	10	6 $\frac{8}{12}$	-	10
72 -	-	-	12	2 $\frac{8}{12}$	-	11	1 $\frac{4}{12}$	-	7
73 -	-	-	11	1 $\frac{4}{12}$	-	10	6 $\frac{8}{12}$	-	7
74 -	-	-	1	0	6 $\frac{8}{12}$	-	16	1 $\frac{4}{12}$	13
75 -	-	-	18	4	1	0	0	-	13
76 -	-	-	11	4	-	11	8	-	5
77 -	-	-	11	1 $\frac{4}{12}$	-	18	8	-	6
78 -	-	-	11	8	-	9	4	-	5
79 -	-	-	15	0	-	11	1 $\frac{4}{12}$	-	6
80 -	-	-	10	5	-	10	0	-	6
81 -	-	-	10	5	-	10	0	-	8
82 -	-	-	12	6	-	14	5 $\frac{4}{12}$	-	9
83 -	-	-	13	2	-	9	10	-	7
84 -	-	-	13	4	-	9	8	-	7
85 -	-	-	10	8	-	9	6	-	6
86 -	-	-	10	0	-	10	10	-	6
87 -	-	-	9	8	-	9	7	-	6
88 -	-	-	9	4	-	9	6	-	7
89 -	-	-	13	10 $\frac{8}{12}$	-	10	5	-	9
90 -	-	-	15	0	-	14	1 $\frac{4}{12}$	-	11
91 -	-	-	12	8	-	9	10	-	7
92 -	-	-	11	8	-	10	0	-	6
93 -	-	-	14	4	-	10	5	-	7
94 -	-	-	14	10	-	10	6 $\frac{8}{12}$	-	8
95 -	-	-	17	2 $\frac{8}{12}$	-	13	4	-	12
96 -	-	-	1	1	1 $\frac{4}{12}$	1	0	0	16
97 -	-	-	19	5 $\frac{4}{12}$	-	15	10	-	11
98 -	-	-	1	8	4	1	2	2 $\frac{8}{12}$	1
99 -	-	-	1	3	4	1	1	1 $\frac{4}{12}$	15
1700 -	-	-	16	1 $\frac{4}{12}$	-	15	10	-	10
Total	L. 41	19	7 $\frac{2}{12}$	L. 35	13	10 $\frac{4}{12}$	L. 26	2	8
Average of 58 years	L. -	14	5 $\frac{1}{2}$	L. -	12	3 $\frac{1}{4}$	L. -	9	0

Years.		Wheat p. Boll.	Barley p. Boll.	Oats p. Boll.
1701	-	L.— 11 8	L.— 10 6 $\frac{8}{12}$	L.— 6 11 $\frac{4}{12}$
2	-	— 11 8	— 11 1 $\frac{4}{12}$	— 10 0
3	-	— 14 2	— 11 11 $\frac{4}{12}$	— 9 2
4	-	— 12 10	— 11 3	— 8 10 $\frac{8}{12}$
5	-	— 10 10	— 11 0	— 7 9 $\frac{4}{12}$
6	-	— 8 10 $\frac{8}{12}$	— 8 6	— 5 6 $\frac{1}{12}$
7	-	— 12 2 $\frac{8}{12}$	— 8 10 $\frac{8}{12}$	— 6 6
8	-	— 15 10	— 12 2 $\frac{8}{12}$	— 10 10
9	-	1 1 1 $\frac{4}{12}$	— 14 7	— 12 6
10	-	— 14 7	— 14 2	— 10 3 $\frac{4}{12}$
11	-	— 14 2	— 12 2 $\frac{8}{12}$	— 8 4
12	-	— 14 2	— 10 6 $\frac{8}{12}$	— 7 10
13	-	— 17 6	— 10 10	— 8 4
14	-	— 12 10	— 12 10	— 8 10 $\frac{8}{12}$
15	-	— 14 5 $\frac{4}{12}$	— 11 4	— 8 10 $\frac{8}{12}$
16	-	— 12 9 $\frac{4}{12}$	— 10 5	— 7 9 $\frac{4}{12}$
17	-	— 12 6	— 9 6	— 9 2
18	-	— 12 2	— 11 0	— 8 8
19	-	— 12 2 $\frac{8}{12}$	— 11 8	— 9 10
20	-	— 12 0	— 11 3	— 9 2
21	-	— 12 6	— 10 3 $\frac{4}{12}$	— 8 7 $\frac{4}{12}$
22	-	— 14 2	— 11 6	— 9 10
23	-	— 12 10	— 13 9	— 10 8
24	no return	— — —	— — —	— — —
25	-	— 16 0	— 11 8	— 9 5 $\frac{4}{12}$
26	-	— 13 8	— 10 6	— 8 10 $\frac{8}{12}$
27	-	— 15 0	— 12 5	— 9 2
28	-	— 16 8	— 15 0	— 11 4
29	-	— 14 4	— 11 1 $\frac{4}{12}$	— 10 0
30	-	— 12 10	— 9 5 $\frac{4}{12}$	— 7 8
31	-	— 13 0	— 9 8	— 8 6
32	-	— 10 6	— 8 9	— 7 5
33	-	— 12 9 $\frac{4}{12}$	— 10 5	— 8 4
34	-	— 14 10	— 10 5	— 8 4
35	-	— 14 10	— 10 7	— 9 8
36	-	— 12 6	— 11 10	— 9 4
Carried forward		L. 23 5 1	L. 19 13 2	L. 15 12 6 $\frac{4}{12}$

Years.	Wheat p. Boll.	Barley p. Boll.	Oats p. Boll.
Brought forward	L. 23 5 1	L. 19 13 2	L. 15 12 $6\frac{4}{12}$
1737 - - -	L. — 13 4	— 11 8	— 8 10
38 - - -	— 11 0	— 9 10	— 6 10
39 - - -	— 13 7	— 12 0	— 9 4
40 - - -	1 2 11	— 17 8	— 14 6
41 - - -	— 14 2	— 11 $1\frac{4}{12}$	— 9 4
42 - - -	— 11 0	— 11 $1\frac{4}{12}$	— 7 6
43 - - -	— 10 0	— 9 4	— 6 6
44 - - -	— 11 10	— 10 6	— 9 4
45 - - -	— 15 6	— 11 8	— 11 0
46 - - -	— 14 0	— 11 8	— 9 4
47 - - -	— 13 8	— 11 2	— 7 8
48 - - -	— 14 4	— 11 4	— 9 0
49 - - -	— 13 4	— 10 6	— 9 0
50 - - -	— 13 6	— 10 7	— 9 4
1751 - - -	— 16 10	— 12 0	— 11 8
2 - - -	— 15 0	— 13 0	— 12 0
3 - - -	— 15 0	— 14 0	— 10 6
4 - - -	— 12 8	— 10 5	— 9 0
5 - - -	— 13 8	— 11 0	— 11 0
6 - - -	1 2 0	— 16 8	— 15 0
7 - - -	— 18 9	— 14 9	— 12 0
8 - - -	— 15 0	— 10 6	— 8 8
9 - - -	— 13 4	— 10 5	— 8 0
1760 - - -	— 13 6	— 10 3	— 8 4
1 - - -	— 14 0	— 10 6	— 9 0
2 - - -	— 19 6	— 14 3	— 15 0
3 - - -	— 16 8	— 14 0	— 10 6
Total	L. 43 13 2	L. 36 5 $0\frac{8}{12}$	L. 29 0 $8\frac{4}{12}$
Average of 62 years	L. — 14 1	L. — 11 $8\frac{1}{4}$	L. — 9 $4\frac{4}{12}$

Years.	Wheat p. Boll.	Barley p. Boll.	Oats p. Boll.
1764 - - -	L. 0 19 0	L. 0 13 9	L. 0 12 2
5 - - -	1 0 0	0 16 6	0 14 6
6 - - -	0 19 6	0 18 0	0 14 3
7 - - -	1 1 0	0 14 0	0 14 0
8 - - -	1 0 0	0 11 9	0 10 0
9 - - -	0 18 0	0 13 0	0 11 6
1770 - - -	0 18 6	0 13 9	0 12 0
1 - - -	1 1 0	0 16 3	0 14 8
2 - - -	1 2 6	0 17 6	0 14 6
3 - - -	1 2 3	0 17 4	0 14 0
Sums	L. 10 1 9	L. 7 11 10	L. 6 11 7
Average of these 10 years	L. 1 0 2	L. 0 15 $2\frac{1}{2}$	L. 0 13 $1\frac{1}{2}$
1774 - - -	L. 1 1 0	L. 0 16 3	L. 0 13 6
5 - - -	0 19 0	0 13 4	0 10 0
6 - - -	0 18 6	0 12 0	0 10 0
7 - - -	1 0 0	0 13 9	0 10 6
8 - - -	0 18 0	0 14 0	0 11 0
9 - - -	0 14 6	0 11 3	0 9 0
1780 - - -	1 0 0	0 14 0	0 11 0
1 - - -	1 0 6	0 13 0	0 10 0
2 - - -	1 5 0	1 1 0	0 17 0
3 - - -	1 0 0	0 18 0	0 14 6
Sums	L. 9 16 6	L. 7 6 7	L. 5 16 6
Average of these 10 years	L. 1 10 $9\frac{1}{2}$ $7\frac{1}{2}$	L. 0 14 $7\frac{1}{2}$	L. 0 11 $7\frac{1}{2}$
1784 - - -	L. 1 0 0	L. 0 17 0	L. 0 14 0
5 - - -	1 0 9	0 14 0	0 11 0
6 - - -	0 19 6	0 16 6	0 14 3
7 - - -	1 1 4	0 15 6	0 13 4
8 - - -	1 1 10	0 13 6	0 10 6
9 - - -	1 3 11	0 15 3	0 12 0
1790 - - -	1 3 0	0 17 4	0 14 10
1 - - -	1 0 $7\frac{6}{8}$	0 18 3	0 14 $4\frac{5}{8}$
2 - - -	1 1 0	0 19 11	0 15 0
3 - - -	1 3 $4\frac{0}{8}$	0 18 $10\frac{1}{2}$	0 15 $6\frac{5}{8}$
4 - - -	1 4 9	0 19 9	0 15 0
Sums	L. 12 0 $1\frac{1}{2}$	L. 9 5 $10\frac{1}{8}$	L. 7 9 10
Average of these 11 years	L. 1 1 11	L. 0 16 $10\frac{1}{4}$	L. 0 13 $7\frac{5}{8}$

Years.	Wheat p. Boll.	Barley p. Boll.	Oats p. Boll.
1795 - - - -	L. 2 3 0	L. 1 3 0	L. 0 19 6
6 - - - -	1 5 9	1 2 6	0 14 4
7 - - - -	1 3 3	0 17 7	0 13 6
8 - - - -	1 2 7	0 17 4	0 14 0
9 - - - -	2 0 9	1 13 1	1 9 4
	<u>L. 7 15 4</u>	<u>L. 5 13 6</u>	<u>L. 4 10 8</u>
Average of these 5 years	<u>L. 1 11 0$\frac{3}{4}$</u>	<u>L. 1 2 8$\frac{1}{2}$</u>	<u>L. 0 18 1$\frac{1}{2}$</u>
1800 - - - -	L. 2 18 9	L. 2 0 7	L. 1 13 2
1 - - - -	1 15 0	1 5 6	0 16 6
2 - - - -	1 6 6	0 17 6	0 15 6
3 - - - -	1 6 3	0 18 6	0 17 6
4 - - - -	2 2 0	1 10 0	0 18 6
5 - - - -	1 10 0	1 3 9	0 18 9
6 - - - -	1 18 0	1 6 0	1 0 0
7 - - - -	1 12 6	1 10 0	1 7 0
8 - - - -	2 7 6	1 10 0	1 4 0
9 - - - -	2 2 0	1 10 6	1 0 9
	<u>L. 18 18 6</u>	<u>L. 13 12 4</u>	<u>L. 10 11 8</u>
Average of these 10 years	<u>L. 1 17 10</u>	<u>L. 1 7 4</u>	<u>L. 1 1 2</u>
Amo ^t . of Prices from 1763 to 1773	L. 10 1 9	7 11 10	6 11 7
from 1773 to 1783	9 16 6	7 6 7	5 16 6
from 1783 to 1794	12 0 1 $\frac{1}{4}$	9 5 10 $\frac{1}{2}$	7 9 10
	<u>L. 31 18 4$\frac{1}{4}$</u>	<u>L. 24 4 3$\frac{1}{2}$</u>	<u>L. 19 17 11</u>
Average of these 31 years	<u>L. 1 0 7</u>	<u>L. 0 15 7$\frac{1}{2}$</u>	<u>L. 0 12 10</u>
Amo ^t . of Prices from 1795 to 1799	L. 7 15 4	L. 5 13 6	L. 4 10 8
from 1800 to 1809	18 18 6	13 12 4	10 11 8
	<u>L. 26 13 10</u>	<u>L. 19 5 10</u>	<u>L. 15 2 4</u>
Average of these 15 years	<u>L. 1 15 7</u>	<u>L. 1 5 8$\frac{1}{2}$</u>	<u>L. 1 - 0 1$\frac{1}{4}$</u>

Difference on the averages of the 31 years, 1764 and 1794 inclusive, and the 15 years; 1795 and 1809 inclusive, 72 $\frac{8}{10}$ per cent. of the former.

COMPARATIVE PRICES of Wheat, Barley, and Oats—converting the Wheat Measure to that of Barley and Oats—the proportion of the former to that of the latter being as 2236.111 to 3257.226.

			<i>Wheat p. Boll.</i>	<i>Barley p. Boll.</i>	<i>Oats p. Boll.</i>
From 1640 to 1700	-	-	L. 1 1 0 $\frac{3}{4}$	L. 0 12 3 $\frac{1}{4}$	L. 0 9 0
1700 to 1763	-	-	1 0 6	0 11 8 $\frac{1}{4}$	0 9 4 $\frac{4}{12}$
1763 to 1794	-	-	1 9 11 $\frac{1}{8}$	0 15 7 $\frac{1}{8}$	0 12 10
1794 to 1809	-	-	2 11 10	1 5 8 $\frac{1}{2}$	1 0 1 $\frac{1}{4}$

Thus, from 1640 to 1700, the price of Barley was 58 per cent. of the price of Wheat.

From 1700 to 1763, about 57 per cent.

1763 to 1794, about 52 per cent.

1794 to 1809, about 50 per cent.

Oats were, in the first period, about 43 per cent. of the price of Wheat.

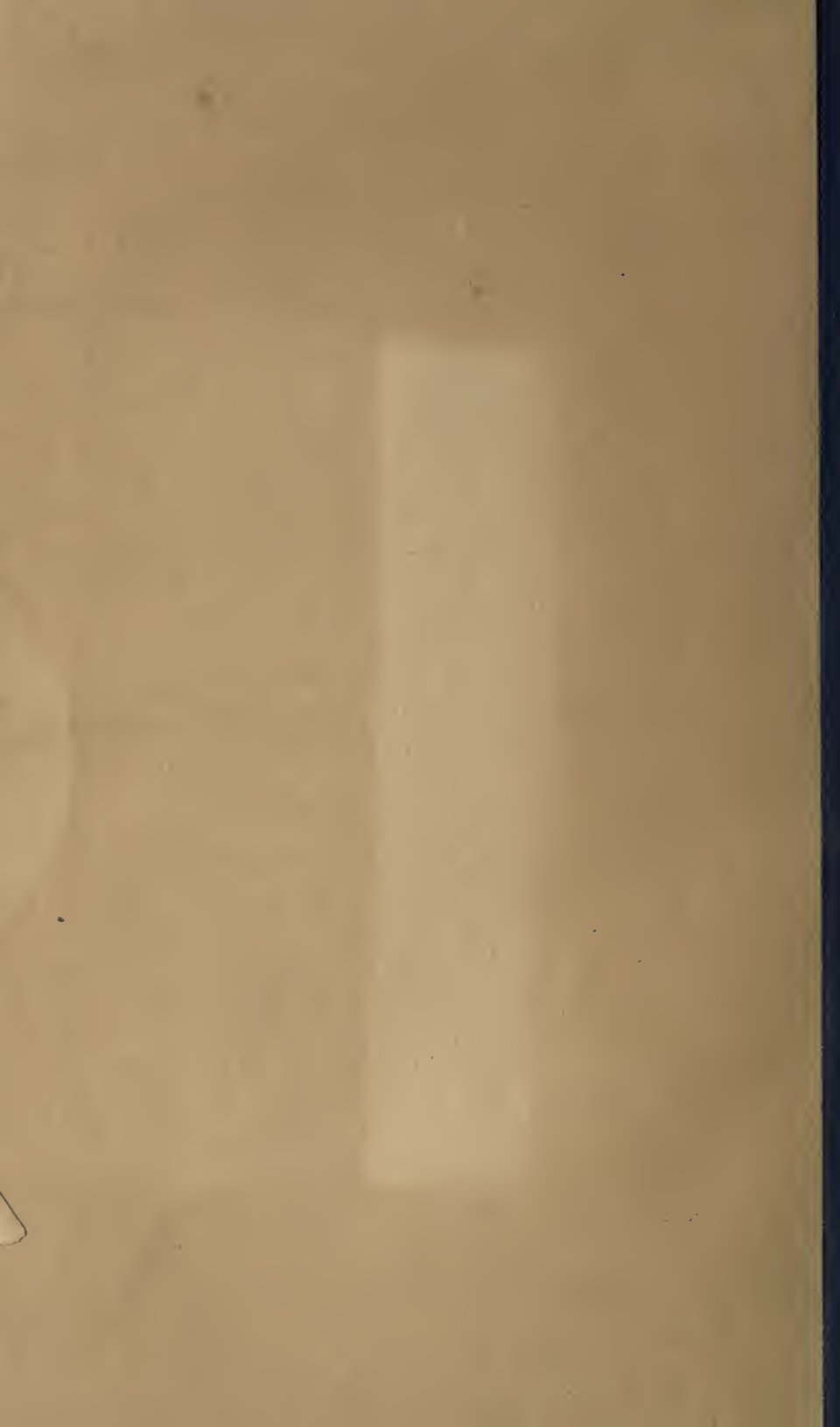
In the second period, about 45 $\frac{1}{2}$ per cent.

In the third period, about 43 per cent.

And in the fourth period, about 39 $\frac{1}{2}$ per cent.

So that, upon the whole, the rise in the price of Wheat has exceeded that in the price of Oats and Barley, and both nearly in the same proportion, which may be accounted for from Wheat having become more and more the food of the labouring part of the community.

M. J. Rosenau



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Wilson, Robert, accountant, Edinburgh
Observations on the depreciation of money.

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