FURTHER CONSIDERATIONS CONCERNING RAISING THE VALUE OF MONEY.

SILVER is the Instrument and Measure of Commerce in all the Civilized and Trading parts of the World.

It is the Instrument of Commerce by its intrinsick value.

The intrinsick value of Silver consider’d as Money, is that estimate which common consent has placed on it, whereby it is made Equivalent to all other things, and consequently is the universal Barter or Exchange which Men give and receive for other things they would purchase or part with for a valuable consideration: And thus as the Wise Man tells us, Money answers all things.

Silver is the Measure of Commerce by its quantity, which is the Measure also of its intrinsick value. If one grain of Silver has an intrinsick value in it, two grains of Silver have double that intinsick value, and three grains treble, and so on proportionably. This we have daily Experience of, in common buying and selling. For if one Ounce of Silver will buy, i.e. is of equal value to one Bushel of Wheat, two Ounces of Silver will buy two Bushels of the same Wheat, i.e. has double the value.

Hence it is evident, that an equal quantity of Silver is always of equal value to an equal quantity of Silver.

This common Sense, as well as the Market, teaches us. For Silver being all of the same nature and goodness, having all the same qualities, 'tis impossible but it should in the same quantity have the same value. For if a less quantity of any Commodity be allowed to be equal in value to a greater quantity of the same sort of Commodity, it must be for some good quality it has which the other wants. But Silver to Silver has no such difference.

Here it will be asked, is not some Silver finer than other? I answer, one mass of mixed Metal not discerned by the Eye to be any thing but Silver, and therefore called Silver, may have a less mixture of baser Metal in it than another, and so in common speech is said to be finer Silver. So Ducatoons having a less mixture of Copper in them than our English Coin has, are said to be finer Silver. But the truth is, the Silver that is in each is equally fine, as will appear when the baser Metal is separate from it. And 'tis of this pure or fine Silver I must be understood when I mention Silver; not regarding the Copper or Lead which may chance to be mixed with it. For example: Take an Ounce of fine Silver, and one fourth of an Ounce of Copper, and melt them together, one may say of the whole mass, that it is not fine Silver, but it is true there is an Ounce of fine Silver in it; and though this mass weighing one Ounce and a quarter be not of equal value to one Ounce and a quarter of fine Silver, yet the Ounce of fine Silver in it is, when separate from the Copper, of equal value to any other Ounce of Silver.

By this Measure of Commerce, viz. the quantity of Silver, Men measure the value of all other things. Thus to measure what the value of Lead is to Wheat, and of either of them to a certain fort of Linnen Cloath, the quantity of Silver that each is valued at or sells for, needs only be known. For if a Yard of Cloth be sold for half an Ounce of Silver, a Bushel of Wheat for one Ounce, and an hundred weight of Lead for two Ounces, any one presently sees and
says that a Bushel of Wheat is double the value of a Yard of that Cloth, and but half the value of an hundred weight of Lead.

Some are of opinion that this measure of Commerce, like all other measures, is Arbitrary, and may at pleasure be varied, by putting more or fewer Grains of Silver in pieces of a known denomination, v.g. by making a Penny or a Shilling lighter or heavier, in Silver, in a Country where these are known denominations of pieces of silver Money. But they will be of another mind, when they consider that Silver is a measure of a nature quite different from all other. The Yard or Quart Men measure by, may rest indifferently in the buyers or sellers, or a third Person's hands, it matters not whose it is. But it is not so in Silver. It is the thing bargain'd for, as well as the measure of the bargain; and in Commerce passes from the buyer to the seller, as being in such a quantity equivalent to the thing sold: And so it not only measures the value of the Commodity it is apply'd to, but is given in Exchange for it, as of equal value. But this it does, (as is visible) only by its quantity, and nothing else. For it must be remembred, that Silver is the Instrument as well as Measure of Commerce, and is given in exchange for the things Traded for: And every one desiring to get as much as he can of it for any Commodity he sells, 'tis by the quantity of Silver he gets for it in Exchange, and by nothing else, that he measures the value of the Commodity he sells.

The Coining of Silver, or making Money of it, is the ascertaining of its quantity by a publick mark, the better to fit it for Commerce....

...The case would be the same, and legal Contracts be voided, if the Standard should be altered on the other side, and each species of our Coin be made One fifth heavier. For then he that had borrow'd or contracted for any Sum, could not be discharged by paying the quantity he agreed for, but be liable to be forced to pay 20 per Cent. more than he bargained for, that is, more than he ought.

On the other side; Whether the Creditor be forced to receive less, or the Debtor forced to pay more than his Contract, the damage and injury is the same, whenever a Man is defrauded of his due. And whether this will not be a publick failure of Justice, thus arbitrarily to give one Man's Right and Possession to another, without any fault on the suffering Man's side, and without any the least advantage to the publick, I shall leave to be considered.

Raising of Coin is but a specious word to deceive the unwary. It only gives the usual denomination of a greater quantity of Silver to a less, (v.g. calling Four Grains of Silver a Penny to day, when Five Grains of Silver made a Penny yesterday) but adds no worth or real value to the Silver Coin, to make amends for its want of Silver. That is impossible to be done. For it is only the quantity of the Silver in it that is, and eternally will be, the measure of its value....

...Money is necessary to the carrying on of Trade. For where Money fails, Men cannot buy, and Trade stops. Credit will supply the defect of it to some small degree for a little while. But Credit being nothing but the expectation of Money within some limited time, Money must be had or Credit will fail. Money also is necessary to us, in a certain proportion to the plenty of it amongst our Neighbours. For if any of our Neighbours have it in a much greater abundance than we, we are many ways obnoxious to them. 1. They can maintain a greater force. 2. They can tempt away our People, by greater wages, to serve them by Land or Sea, or in any Labour. 3. They can command the Markets, and thereby break our Trade, and make us poor. 4. They can on
any occasion ingross Naval and Warlike Stores, and thereby endanger us.

In Counties where Domestick Mines do not supply it, nothing can bring in Silver but Tribute or Trade. Tribute is the effect of Conquest: Trade, of Skill and Industry.

By Commerce Silver is brought in only by an over-ballance of Trade.

An Over-ballance of Trade, is when the quantity of Commodities which we send to any Country do more than pay for those we bring from thence: For then the overplus is brought home in Bullion.

Bullion is Silver whose workmanship has no value. And thus Foreign Coin hath no value here for its stamp, and our Coin is Bullion in Foreign Dominions.

’Tis useless and labour in vain, to Coin Silver Imported into any Country where it is not to stay.

Silver Imported cannot stay in any Country in which, by an overballance of their whole Trade, it is not made theirs, and doth not become a real increase of their Wealth.

If by a general Balance of its Trade, England yearly sends out Commodities to the value of four hundred thousand Ounces of Silver more than the Commodities we bring home from abroad cost us; there is One hundred thousand Pound every year clear gain: Which will come home in Money, be a real increase of our Wealth, and will stay here.

On the other side, if upon a general balance of our whole Trade, we yearly import Commodities from other parts to the value of an hundred thousand Pound more than our Commodities exported pay for, we every Year grow an hundred thousand Pound poorer. And if, besides that, we should also import a Million in Bullion from Spain every year, yet it is not ours; it is no increase to our Wealth, nor can it stay here; but must be Exported again every grain of it with an hundred thousand Pound of our own Money to boot.

I have heard it propos’d as a way to keep our Money here, that we should pay our Debts contracted beyond Seas, by Bills of Exchange.

The Idleness of such a Proposition will appear, when the nature of Exchange is a little consider’d.

Foreign Exchange is the paying of Money in one Country, to receive it in another.

The Exchange is High, when a Man pays for Bills of Exchange above the Par. It is Low when he pays less than the Par. The Par is a certain number of pieces of the Coin of one Country, containing in them an equal quantity of Silver to that in another number of pieces of the Coin of another Country: v.g. supposing 36 Shillings of Holland to have just as much Silver in them as 20 English Shillings. Bills of Exchange drawn from England to Holland at the rate of 36 Shillings Dutch for each pound Sterling, is according to the Par. He that pays the Money here, and receives it there, neither gets nor loses by the Exchange; but receives just the same quantity of Silver in the one place, that he parts with in the other. But if he pays one pound Sterling to receive but 30 Shillings in Holland, he pays one sixth more than the Par, and so pays one sixth more Silver for the Exchange, let the Sum be what it will.

The reason of High Exchange, is the buying much Commodities in any Foreign Country, beyond the value of what that Country takes of ours. This makes English Men have need of great Sums there, and this raises the Exchange or Price of Bills. For what grows more into demand, increases presently in price. Returning Money by Exchange into Foreign parts, keeps not one Farthing from going out: It only prevents the more troublesome and hazardous way of sending Money in specie forwards and backwards. Bills of Exchange more commodiously, by Scrips of Paper, even the Accounts between particular Debtors and Creditors in different Countries, as far as the Commerce between those two Places is equivalent: But where the
over-balance, on either side, demands Payment, there Bills of Exchange can do nothing; but Bullion, or Money in specie must be sent. For in a Country where we owe Money, and have no Debts, owing to us, Bills will not find Credit; but for a short time, till Money can be sent to reimburse those that paid them; unless we can think Men beyond Sea will part with their Money for nothing. If the Traders of England owe their Correspondents of Holland a hundred thousand Pound, their Accounts with all the rest of the World standing equal, and remaining so, one Farthing of this hundred thousand Pound cannot be paid by Bills of Exchange. For example, I owe a thousand Pounds of it; And to pay that, buy a Bill of N. here, drawn on John de Wit of Amsterdam, to pay P. van Lore my Correspondent there. The Money is paid accordingly, and thereby I am out of Van Lores Debt; but one Farthing of the Debt of England to Holland is not thereby paid; for N. of whom I bought the Bill of Exchange, is now as much indebted to John de Wit, as I was before to P. van Lore. Particular Debtors and Creditors are only changed by Bills of Exchange; but the Debt owing from one Country to the other, cannot be paid without real Effects sent thither to that value, either in Commodities, or Money. Where the balance of Trade barely pays for Commodities with Commodities, there Money must be sent, or else the Debt cannot be paid.

I have spoke of Silver Coin alone, because that makes the Money of Account, and measure of Trade, all through the World. For all Contracts are, I think, every where made, and Accounts kept in Silver Coin.

I am sure they are so in England, and the neighbouring Countries.

Silver therefore, and Silver alone, is the Measure of Commerce. Two Metals, as Gold and Silver, cannot be the Measure of Commerce both together, in any Country: Because the Measure of Commerce must be perpetually the same, invariable, and keeping the same proportion of value in all its parts. But so only one Metal does, or can do to it self: So Silver is to Silver, and Gold to Gold. An Ounce of Silver is always of equal value to an Ounce of Silver, and an Ounce of Gold to an Ounce of Gold; and two Ounces of the one, or the other, of double the value to an Ounce of the same. But Gold and Silver change their value one to another: For supposing them to be in value as sixteen to one now; perhaps the next Month they may be as fifteen and three quarters, or 15 and seven eighths to one. And one may as well make a measure, v.g. a Yard, whose parts lengthen and shrink, as a Measure of Trade of Materials, that have not always a settled unvariable value to one another.

One Metal therefore alone can be the Money of Account and Contract, and the Measure of Commerce in any Country. The fittest for this use, of all other, is Silver, for many reasons, which need not here be mention’d. It is enough that the World has agreed in it, and made it their common Money; and as the Indians rightly call it, Measure. All other Metals, Gold, as well as Lead, are but Commodities....
Pound of the same goodness will never exchange for a Pound and a Quarter of the same goodness. And so it is in Silver: An Ounce of Silver will always be of equal value to an Ounce of Silver; nor can it ever rise or fall in respect of it self: An Ounce of Standard Silver can never be worth an Ounce and a Quarter of Standard Silver; nor one Ounce of uncoin'd Silver, exchange for one Ounce and a Quarter of Coin'd Silver: The Stamp cannot so much debase its value....