
DISCOURSES
ON THE
PUBLIC REVENUES
AND ON
TRADE.

DISCOURSE II.

*Concerning Credit, and the means and methods by
which it may be restored.*

BEFORE we begin more particularly to treat of revenues and trade, it may not be unseasonable to look into the posture of Credit, on which both revenues and trade so much depend.

Peace has indeed put it in a much better condition than it was; but it is not yet so restored, as to help us, as it did formerly, in the whole business of the nation.

Bank bills are at the par, and the notes pass very well of such goldsmiths as have always made
current

current payments; the discount upon tallies is moderated; the bank stock rises, as do the actions in most companies: all which are signs that this huge engine, which for some time has stood still, begins to be in motion.

But perhaps it has not yet recovered the activity it had heretofore, when, by its means, rent and taxes were paid; and when the bulk of trade, here at home, was carried on almost without the species of money.

Of all beings that have existence only in the minds of men, nothing is more fantastical and nice than Credit; it is never to be forced; it hangs upon opinion; it depends upon our passions of hope and fear; it comes many times unfought for, and often goes away without reason; and when once lost, is hardly to be quite recovered.

It very much resembles, and, in many instances, is near a kin to that fame and reputation which men obtain by wisdom in governing state affairs, or by valour and conduct in the field. An able statesman, and a great captain, may, by some ill accident, slip, or misfortune, be in disgrace, and lose the present vogue and opinion; yet this, in time, will be regained, where there is shining worth, and a real stock of merit. In the same manner, Credit, though it may be for a while obscured, and labour under some difficulties, yet it may, in some measure, recover, where there is a safe and good foundation at the bottom.

We give over trusting the public, or private persons, then only, when we perceive fraud or evil faith in their proceedings, or when we judge their affairs to be desperate: but when the inter-

ruption in common payments is occasioned only by some accidents in the state; when both the government, and particular persons, take the utmost care to disengage themselves; and when it can be made appear, there is a fund sufficient to satisfy all pretensions, men's minds will become quiet and appeased; mutual convenience will lead them into a desire of helping one another. They will find, that no trading nation ever did subsist, and carry on its business by real stock; that trust and confidence in each other, are as necessary to link and hold a people together, as obedience, love, friendship, or the intercourse of speech. And when experience has taught each man how weak he is, depending only upon himself, he will be willing to help others, and call upon the assistance of his neighbours, which of course, by degrees, must set credit again afloat.

If the past debts, and those which must be still contracted, appear not too great to be waded through; if, in every part of the constitution, there shall be plainly seen a desire and true endeavour to keep the public faith inviolate; and lastly, if the funds, hereafter to be given, are substantial, and such as will answer what they are given for, the credit lately erected, and which still seems at a stand, will not only revive, but may be so enlarged, as both now and hereafter to give the government, and the trading part of England, effectual help.

But on the contrary, if the nation's debt is suffered to swell beyond all compass; if men see that private property is not at all made the common care; if they find such funds granted, as shall hardly pay the interest, and leave the principal upon
years

years to come, they will hardly shake off their present fullness, but draw their effects, as soon as possible, out of public hands, into their own possession.

And if by letting this arrear swell too high, it should appear that the state is only intent upon the present, and careless of the future, it will beget in the thoughts of men such a jealousy, as may produce very bad effects.

The restoring therefore of credit, and the giving it a new and fresh existence will absolutely depend upon the measures that shall be taken in the present juncture.

The debts England has contracted are not so great, and the farther engagements which must be entered into, will not be such, but that we may get out of them with care and conduct.

They who lend upon parliamentary funds, have for their security the quick and dead stock of the kingdom; the land with its product; the arts, industry, labour and manufactures of this country; all which, some way or other, become affected with the debt.

It is true, that it may not perhaps consist with the public good, to create by law, a large interest and estate to one part of the people, upon the goods and substance of the other; but nations that have had a war too big to be managed by any income to be raised within the year, could not avoid proceeding in this manner, and must be contented, for a while, to pay taxes to one another; which may be done without great mischief to the subjects; provided a due moderation be observed; for in this matter there is a certain point, beyond which there is no passing in any wisdom.

It will not be difficult to emerge out of these debts; but if we are frightened with our own affairs,

affairs, we can never mend them, and must sink under their weight; therefore the good or bad augury of this whole business, may be taken from the manner in which it shall be entertained this present session of parliament.

Credit is probably to be restored, if both parts of the constitution, legislative and ministerial, bend their utmost care and study to set it forward.

To create in the people a willingness of dealing hereafter with the government, all deficiencies which will happen in the late funds, should be readily made good, and past debts must be put into a certain method of payment.

And to make these credits pass currently from hand to hand, and become in the nature of a quick stock in the nation, wherewith the people may transact their bargains, they must be secured upon solid and substantial funds. In the same manner for debts hereafter to be contracted, such tallies as shall be proposed to go in payment of the fleet, ordinance, civil list, or for stores, or for repayment of money to be actually lent, should be placed upon such funds as will every year clear off the interest, and a certain proportion of the principal. If such funds can be found out, and set on foot, the tallies struck thereupon will be as so much new stock in the kingdom; and because they carry interest with them, may perhaps in time be more esteemed than money itself; and if tallies can obtain their former esteem and value, paper credit will revive of course.

Most of the funds of late granted, have been but nominal, serving as heads only upon which the people might record their debts; many of them cleared off nothing of the principal, and some not all the growing interest; however, the exchequer had obtained such repute, and tallies struck

struck upon these funds were discounted by the bank at such easy terms, that for a time, they passed as well as those which had a better foundation. But they loaded the kingdom with a great arrears, and would be of very little worth, but as they are supported by the nation's faith that has engaged to make them good, and lately joined them to better funds; notwithstanding which, they hold not the same value as tallies struck on the land-tax, customs or excise.

Such funds as have been lately granted, for the future will hardly pass; for where there are but few lenders, and many borrowers, men will be very difficult and choice in their securities. If therefore it is expected the state should borrow actual cash, such revenues must be given as will annually lessen the debt, and quite clear it off in some moderate compass of time; and tallies struck on funds of this nature, may find acceptance with the people, be esteemed to have intrinsic value, supply the want of species, pass currently from hand to hand, and become as it were a new stock in the nation; and such tallies would give better currency to those, that, by reason of their remoteness, are in less esteem, and lie at present as dead wealth; all which, would be the true and natural course of bringing out the gold and silver.

They who stand possessed of the ready-money, have in all times, and in all countries, given the law, and held the rest of the people in their power, insomuch that the Romans were more than once constrained to rescue themselves by force, from the fraud and oppression of monied men and usurers.

And it is now to be apprehended, that they who stand possessed of the ready cash, when they discover

discover the necessities of other people, will, in all likelihood, prompted by their avarice, make a use of it very destructive to their fellow-subjects, and to the king's affairs, if not prevented by the care and wisdom of the state.

To make them quit their hold, and forego the present advantage they have over the rest; there seems no expedient so good, as to set up something in the room of money, which, by annexed profits, may make it in common estimation, of equal, if not superior value, to money itself; which tallies will in time be thought of, when they are put upon a substantial fund.

Neither exorbitant premiums, nor high interest, bring credit; which is only begot by certain and punctual payments.

However, it is of such pernicious consequence to any nation for the money not to circulate, that the disease cannot be cured at too high a price; for the present therefore, and to invite the gold and silver abroad, and to give such a reputation to tallies, as that they may be enabled to beat down the value of money, perhaps it may be necessary to allow in parliamentary securities something more than 6% per cent. It is true this may be thought to load the kingdom with usury, yet peradventure it is better doing so, than to let the species stagnate. But whatever it shall be thought convenient to allow, now peace has given a better consistency to things, tallies will be more valued for the goodneſs of their fund, than for the interest they carry.

The kingdom's debt has not been so much increased by interest-money, as by high premiums, which, during this war may be, could not be avoided: but for the future it will undoubtedly be for the king and kingdom's profit, by severe penalties

penalties, to prohibit gratuities upon any loan, other than what are allowed by parliament. This thrift, strictly observed, may bring difficulties at first, but in the consequence will augment public credit.

Peace has so much mended the condition of affairs, that it will not be hard to borrow money, and at moderate interest to supply the necessary occasions of the government.

Peace must naturally beget such a trust and reliance on the state, as will bring loans into the exchequer; but there may be something farther requisite to carry on trade, and to make this nation flourish.

	<i>l.</i>	<i>s.</i>	<i>d.</i>
On the 23d of Sept. 1697, on several parliamentary funds there were tallies struck (and which then re- mained unpaid) for —	8,882,544	15	1½
On the hereditary and tem- porary excise, and post- office, for —	700,000		
The malt tickets amounted to	1,270,000		
Annuities are —	1,300,000		
Lottery tickets are about	1,000,000		
Bank stock is —	1,200,000		
	<hr/>		
Total	14,352,544	15	1½
	<hr/>		

To give motion to this immense sum, which depends on the public faith, and so to order things, that these tallies and securities may recover their former value, is the true way of restoring credit.

But admit that this were brought about, yet for a time there must be an interruption in all business; rents cannot be well paid, nor can the king's

king's aids be well collected, nor can the other revenues flourish, nor will trade and the manufactures proceed cheerfully, till the blood, now gathered all about the heart, can obtain its former and natural course into every vein, and through every channel of the kingdom. How soon this distribution of the vital nourishment can be made, into all the parts and members of the commonwealth, is not easy to determine; but it cannot be done with such speed as men vulgarly imagine.

In former times the wealth of England was far more equally dispersed than it has been of late, and the respective counties of the kingdom had a larger proportion of it; the gentry lived at their seats, the country towns were populous, several of the outports had their share of trade; but by degrees, in the space of about 40 years, the number of inhabitants, the riches, and traffic of the nation, have centered in this great city.

However, it could never be said till now, that London was at one time owner and mistress of almost the whole species of silver; and yet, it is to be feared, this is our case at present.

There was brought in to 14th Aug.	l.
1697, to be new coined, in tale,	
about — — —	8,400,000
There might be standing out of	
light money that time, in tale,	
about — — —	. 600,000
	—————
In all	9,000,000
	—————

Of which there was brought into the country mints, of light money, in tale, about — — — 300,000

And

And of broad money to the country	l.	
mints, in tale, about	—	1,500,000
Of the 600,000 l. probably standing out, suppose $\frac{1}{3}$ d should be in the country, viz.	—	200,000
Coined, and to be coined, then, on account of the respective counties of England, not above	—	2,000,000

For well nigh all the money that has been brought out of the country, into the exchequer, to be new minted, has come in upon the land-tax, excise, or other branches of the revenue; and very little of it was the peculiar substance of private persons in any country. The rest of the clipped money was brought in upon loans, by the bankers, merchants, and monied men of this city, and the parts near adjacent; and upon nice enquiry it will be found, that the country had but a very small interest in those sums of new coin, which from time to time have issued out of the exchequer.

There was coined, and ready to be coined, from the 31st Dec. 1691, to the 14th Aug. 1697, in silver, about	—	l.	6,119,400
The light money now standing out, when coined, may probably reach			540,000
		In all	<u>6,659,400</u>

Of this sum, in all likelihood $\frac{7}{8}$ ths did belong to persons in and about this city, who have debts and tallies upon the public; and though a considerable sum may be dispersed about the country since the coining, yet there is no reason to fear, that there is still remaining in London $\frac{2}{3}$ ds of the

the silver species, whereas $\frac{1}{3}$ d is more than usual and former proportion.

How, and by what degrees, this will spread itself abroad is very uncertain, but to make it circulate about the kingdom, and reach even the remotest countries, does much import the government.

The natural course for the distant countries to get the species among them, is by their manufactures, and sale of their commodities; but this may peradventure be so slow, as not well to consist with payment of rent, land-taxes, and other duties.

Now the peace is concluded, the call for money abroad for all our commodities, which has hitherto held up their price, perhaps may cease, and if this should happen (as there is reason to think it will) things of our own growth must immediately sink in value, unless money can be made to circulate in the country; for gold and silver being the measure of trade, all things are dear or cheap as that sort of wealth is wanted or abundant. And in all countries of the world where money is rare and scarce, the product of the earth is cheap; as for instance, in Scotland, Ireland, the Northern Kingdoms, Germany, and most parts of Asia and America.

Now, if the product of the land should fall in its value, it must naturally ensue, that the rents of England, and price of land, will fall in the same proportion. For the great stock that was subsisting in credit, and the great sum of money that circulated about the kingdom, which chiefly fix so high a price upon land and all its produce; and if peace should diminish this price (as perhaps it will) land and its rents will hardly recover their former value, till money can be made to circulate, and till credit is revived.

And if there should be a want of species, and of credit, the taxes cannot answer, and there must be a decrease in all the king's revenues; for as to all duties and impositions, both upon home and foreign commodities, they arise from the turning and winding of the nation's general stock: with this stock are bought and sold those several commodities upon which are laid the duties of customs and excise; and if this stock is actually so diminished, as that there should be less trade, less manufactures, and less consumption of commodities paying duty, it must follow, that the king's revenues will decrease in proportion.

We have taken notice of these things, only to shew how much it imports all sorts of men, as well those who handle the king's business, as landlords, tenants, merchants, gentlemen, and the common people, to contribute their utmost towards reviving credit, and with all their power to promote a circulation of money in the kingdom.

It is true, the peace of itself will in some measure bring this about; but calling in the whole silver species, has made so great an alteration in all matters which relate to the public revenues and to trade, that in all likelihood, things will not fall readily and very soon into their wonted channel.

It is now apparent, that, on the 4th of May 1696, there was current in the kingdom, of the clipt money, about
 Besides what was hoarded, there might be current at that time, about 4 millions of guineas; which, going at 30 s. each, created a species, which, in tale, amounted to

	l.
	5,600,000
	6,000,000
	11,600,000
Carry over	11,600,000

Brought over,	11,600,000
The securities upon land have been always esteemed at 20 millions, and the ease of finding money at that time, by transferring mortgages, made this a quick stock in the kingdom, of about —	20,000,000
Tallies, bank bills, bank notes, lottery tickets, goldsmiths notes and paper credit of the like kind, which was transferrable, did produce, in all probability, a quick stock, amounting to at least —	15,000,000
In all	<hr/> 46,600,000 <hr/>

This was the fabric the consent of men of their necessities had erected here; and perhaps the building might have stood for a while, if, as is alledged, the clamours of the common people had not pressed so very hard upon the ministers, to venture its pulling down.

Though credit, through the scarcity of money has been in an ill posture, yet it will be absurd to affirm, that it was ever quite extinguished; for no people could have subsisted a single week without it; it is the principal mover in all business, and if there should be a total stagnation in this nerval juice, a dead palsy would forthwith seize the body-politic.

The most that can be said is, that there is a greater difference now than formerly, between ready money and securities of any kind, because there is a scarcity of one, and too great an abundance of the other.

The ebbs and flows of credit, as they hurt some, so they are beneficial to others; and which

we borrow at home, interest, or reward for forbearance, is not greatly prejudicial to the collective body of the people; and there is no monarchy, and perhaps, hardly any republic, but some time or other has been found tardy in relation to the payment of their debts; yet, where the state of things is at bottom esteemed safe, credit revives and is recovered.

The difficulty credit meets with, does perhaps very much proceed from this, that most ministers forget the past, and are only intent upon the future; former debts being not so much thought on, as how they may contract new ones. If some of the time was spent in looking after old funds, that is, employed in procuring fresh supplies, governments would not be in such distress for money.

The vast arrear that presses so hard on England, in all likelihood could never have swelled so high, if every branch of the revenues granted by the parliament had been improved and managed to the best advantage; but this point shall be more fully handled in the next discourse.

A big debt, slowly paid in, does most certainly obstruct future borrowing; but if the respective branches had answered better, not only the growing interest had been cleared off, but the principal sum owing had yearly lessened, which must have been a more pleasing object for past and present dealers with the exchequer to contemplate, than a debt of so many millions.

The huge engine of credit, by which public and private affairs have been so commodiously transacted, and which now seems off the wheels, in all probability is not to be put in order by patching here and there; and can never have true motion, till the legislative power interpose in setting all the springs right, and in mending the whole

Whatever diminution our stock may have suffered, and whatever decrease has happened to our annual income, this nation may be still computed to have remaining in it an intrinsic worth or value of 600 millions in land and stock of all kinds; most of which, some way or other, being made liable to public debts, it will, upon examination, be judged a sufficient security to such as have dealings with the government.

And since there is no reason to apprehend insolvency in the state, the reviving of credit will only depend upon those measures which the public shall take to disengage itself.

It is not probably to be restored by any project or contrivance that will enable the government to borrow a sum to supply the next occasion; but, in all likelihood, the true way to make it flourish, is, by wise arts of government, to give a value and reputation to the 14 millions already depending on the public faith.

If the tallies already struck, and securities of the like nature can any ways be made to regain their former repute with the people, they will bring to light the money; when that circulates, it will give life to 20 millions, the least that is out on land security; so that this stock may come again to be in motion, and that will best enable us to supply the king, and carry on our trade.

Until this stock be put in motion, merchants will not have the means to proceed with their foreign traffic. And unless tallies, &c. recover their former value, there will be no encouragement to trade abroad, when the gain is so much greater by dealing with the exchequer at home. But as to the relation which credit has to trade, that point is more fully handled in the 6th discourse.

The

The restoring of credit will principally depend upon such counsels as shall render the condition of things firm and stable, to which, a sound peace and wholesome laws, that shall for ever secure the people's rights and liberty, will much contribute.

For trade, from whence riches come, (the foundation of credit) cannot thrive where wars are apprehended, and where freedom is under any kind of danger.

The king's valour and conduct have given us peace; and we have reason to assure ourselves of all the rest from his wisdom and the fatherly affection he shews to his people.

The love this country bears to his person and government, are a better security to him, than those numerous armies his neighbours are obliged to entertain about them in times of the profoundest quiet; which military force is the true reason that, in an exigency, they find so little credit among their subjects.

Governments are not only trusted from a good opinion conceived of their stability and strength, but also for the wisdom that is shewn in the conduct of their whole affairs.

Upon which score, it may very much help credit, to see the immoralities and irreligion of the age corrected; for it is natural and reasonable in the people to believe that God will bless them with success and prosperity, who reverence his power, and observe his revealed will and religion, with devotion in themselves, and without any spirit of persecution, or desire of oppressing the consciences of others.

In the same manner, steady councils, vigilance in the ministers, and thrift and œconomy in the state, induce private persons to trust the public with their money.

And they are thereunto very much encouraged, when they see the several branches of the revenues, upon which they depend for their securities, managed with the utmost care, and improved to the best advantage.

And the people will be invited to have a good opinion of tallies already struck, and to make fresh loans, when they see such Ways and Means of raising money proposed and closed with, as will answer effectually, and not load the kingdom from year to year with so great an arrear, as may make the lenders apprehend that at last their debts shall become desperate.

And the customs and new impositions being security for so many millions, it must certainly be a great satisfaction to such as deal with the exchequer, to see that no wrong measures be taken that may unhinge and disturb the beneficial traffics of the nation; and to find both the legislative and ministerial power of the kingdom apply itself strenuously to the care and protection of trade.

Credit depending so much upon the measures that shall be taken in relation to the revenues and trade; and since it is of such importance to the king and his people that credit should be restored, the writer of these papers is resolved to assist with his poor endeavours in so good a work, and to offer to the public the following observations, which are the result of not a little study, and (in the revenues) of some experience.

His chief aim is to give hints for better judgments to work upon; and to shew that gentlemen, by reading and application, may arrive at such a knowledge in all these matters, as not to be imposed upon by merchants and other interested persons, to give into counsels destructive to their country.

He designs in the following discourses (with all possible submission to better understandings) to shew which may be the best way of managing the king's revenues; and what Ways and Means there are of getting out of debt, and supplying the government in this present juncture.

He further proposes to shew, that, contrary to the notions of some people, trade is beneficial to England; and what measures, as he thinks, may best contribute to give it due protection.

Lastly, He means more particularly to treat of the East-India trade, as being the traffic most attacked, and in greatest danger of being lost, through the contrivances of some who secretly are enemies to trade in general.

The author would not have entered so deeply into the state and condition of things, as his subject obliges him to do, but that he is satisfied the service of his prince and country require, that in this season, truth should be modestly, but plainly spoken; nothing being so pernicious as flattering remedies, which may skin the sore over for the present, but leave it to rancle and fester within. Besides, he is fully convinced the courage of an English parliament is able to face any danger, and that its wisdom is sufficient to extricate the government from any difficulties which may seem to invade it.

Having some thoughts of leaving this kingdom, he believed himself bound to communicate these few remarks; which, though they may not prove beneficial, yet he hopes they will be judged well intended to the public by him, whose principal view in all he does and thinks, shall be the service of his king and country.

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