Quantulumcunque concerning Money

by William Petty

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To the Lord Marquess of Halyfax

Suppose that 20s of new mill'd Money doth weigh 4 Ounces

Troy, according to Custom or Statute. Suppose that 20s of old

Eliz. and James's Money, which ought also to weigh four Ounces

Troy, doth weigh three Ounces Troy; and vary variously between 3

and 4 Ounces, viz. none under 3, and none full 4.

Suppose that much of the new mill'd regular Money is carried

into the East Indies, but none of the old light and unequal

Money.

Questions:

Qu. 1. Whether the old unequal Money ought to be new Coined,

and brought to an equality?

Answ. It ought: Because Money made of Gold and Silver is the

best Rule of Commerce, and must therefore be equal, or else it is

no Rule; and consequently no Money, and but bare Metal which was

Money before it was worn and abused into Inequality.

Qu. 2. At whose Charge?

Answ. At the States Charge, as it now is: Because the Owner

was no cause of its Inequality, but the States neglect in

preventing and punishing such Abuse, which are remedied by new

Coinage.

Qu. 3. Of what weight and fineness ought the new Shilling to

be?

Answ. Of the same with the other present new Money, and which

the old was of, when it was new: Because all must be like, all

according to the Statute; and all fit to pay ancient Debts,

according to what was really lent.

Qu. 4. Suppose 20s of old Money make make but 18s of new, who

shall bear the loss of the two shillings?

Answ. Not the States: Because men would clip their own Money:

But the Owner himself must bear the loss, because he might have

refused light and defective Money, or put it away in time; it

being sufficient that he shall have new regular beautiful Money

for his old unequal Money, at the States Charge, Ounce for Ounce

weight.

Qu. 5. After this Reformation of Coin, Will more Silver be

carried out of England, suppose into the East Indies, then

before; and to the Damage of England?

Answ. Somewhat more: But none to the Damage of England, Eo

Nomine; but rather to its Profit: Because the Merchant will be

considered for the Manufacture of the new Money; besides the

Metal of it, as he only was when he carried out Spanish Reals.

Qu. 6. Whereas the Merchant carries Scarlet and Silver to the

Indies, will he not carry only the new coined Silver?

Answ. The Merchant will buy as much Scarlet as he can for 100

new Shillings and then consider whether he shall get more Silk in

the Indies for that Scarlet than for another 100 of the like

Shillings: And, according to this Conjecture, he will carry

Scarlet or Shillings in specie, or part one, part the other, if

he be in doubt.

Qu. 7. But will not England be impoverished by Merchants

carrying out the said 100 Shillings?

Answ. No, if he bring home for them as much Silk as will

yield above 100 Shillings, (perhaps 200 Shillings) in Spain, and

then bring the same 200 into England: Or, if he bring home as

much Pepper as an English man will give him 200 of the like

Shillings for. So the Merchant and England shall both Gain by

Exporting the 100 Shillings.

Qu. 8. But if the new Shilling were but 3/4ths of the weight

as formerly, then the Merchant would not meddle with them at all,

and so secure this fear of Impoverishment?

Answ. The Merchant would Export then, just as before; Only he

will give but 3/4 as much Pepper, or other Indian Goods, for the

new retrenched Shilling as he did for the old: And would accept

in India 3/4 as much Pepper as he formerly had for the old: And

consequently there would be no difference, but among a few such

Fools as take money by its name, and not by its weight and

fineness.

Qu. 9. If a Shilling was by new Coinage reduced to 3/4 of its

present weight, should we not thereby have 1/3 more of Money than

now we have, and consequently be so much the richer?

Answ. You would indeed have 1/3 part more of the new

christned Shillings; but not an Ounce more of Silver, nor Money;

nor could you get an Ounce more of Forreign Commodities for all

you new multiplied Money than before; Nor even for any Domestick

Commodities; but perhaps a little at first from the few Fools

above mentioned. As for Instance; Suppose you buy a silver Vessel

from a Goldsmith weighing 20 Ounces, at 6s per Ounce, making 6

Pounds or 24 Ounces of Coined Silver; now suppose that the said 6

Pounds were reduced from weighing 24 Ounces to weigh but 18

Ounces upon the new Coinage; but be sill called 6 Pound even by

the King's Proclamation; Can it be imagined that the Goldsmith

will give his Vessel weighing 20 Ounces of wrought, for 18 Ounces

of unwrought Silver? For the Workmanship of Money is of little

value. Now the Absurdity is the same in all other Commodities,

though not so demonstrable as in a Commodity whose Materials is

the same with Money.

Qu. 10. Cannot Authority Command that men should give as much

Commodity for the new retrenct Money, as for the old which

weighed 1/3 more?

Answ. Then the effect of such Authority would also be to take

away 1/3 of all mens Goods, which are Commodities beyond Seas;

and five the same to Forreigners, who would have them for 3/4 of

the usual quantity of Silver: And the same Authority would take

away from the Creditor 1/3 of the Money which was due before the

Proclamation.

Qu. 11. Whereas you suppose retrenching 1/4 in the new

Coinage; Suppose it was but 1/10, how would the matter be then?

Answ. Just the same: for Magis & minus non mutant speciem:

But it were better you supposed that one Shilling were to be

taken for 10 or 20, then the Absurdity would be it self so

visible, as to need no such Demonstration, as is needful in such

small matters as Common Sence cannot discern: For if the wealth

of the Nation could be decupled by a Proclamation, it were

strange that such Proclamations have not long since been made by

our Governours.

Qu. 12. Will not some men, having occasions to buy

Commodities in Forreign Parts, carry out all Money, and so not

Vend or Export out own Commodities at all?

Answ. If, some English Merchants should be so improvident,

yet the Forreign Merchants would buy up such English Commodities

as they wanted, with Money brought into England from their

respective Countrie, or with such Commodities as England likes

better than Money. For the vending of English Commodities doth

not depend upon any other thing, but the use and need which

Forreigners have of them. But were it not a folly for an English

man not to carry Lead into Turkey; but go thither with Money, in

his Ballast, and so loose the Freight of the Lead, which he might

sell there; And that a Ship should come from Turkey with Money,

in his Ballast also, to fetch Lead from England, which might have

been carried at first by the English Ship? No: The Art of a

Merchant is to consider all those Matters, so as no Prince's

Proclamation concerning the Weight and Denominations of Coins,

signifies anything to Forreigners when they know it, nor to his

own Subjects pro futuro,what e're Disturbances it may make

amongst them pro praeterito. We say again; it were better for a

Prince owing 20s to say he will pay but 15s than disguising his

own particular purpose, to say that all Landlords shall

henceforth take 15s. Rent for 20s due to them by their Tenants

Leases; and that he who hath lent 100 l. on the Monday, (the

Proclamation of Retrenchment coming out on Tuesday,) may be

repaid on Wednesday with 3/4 or 75 l. of the very Money he lent

two days before.

Qu. 13. Why is not our old worn unequal Money new Coined and

equalized?

Answ. There may be many weak Reasons for it; But the only

good one which I know is, that bad and unequal Money may prevent

hoarding, whereas weighty, fine, and beautiful Money doth

encourage it in some few timorous Persons, but not in the Body of

Trading men. Upon the account of Beauty our Britannia Half pence

were almost all horded as Medals till they grew common; for if

but 100 of those pieces had been Coined, they would, for their

Work and Rarity, have been worth above 5s each, which for their

Matter are not worth that Half penny they pass for: For in them,

Materiam superabat Opus.

Qu. 14. Why hath Money been raised, or retrencht, or imbased

by many wise States, and so often?

Answ. When any State doth these things, they are like

Bankrupt Merchants, who Compound for their Debts by paying 16s

12s or 10s in the pound; Or forcing their Creditors to take off

their Goods at much above the Market rates. And the same State

might as well have paid but 3/4 of what they ow'd, as to retrench

their Money in General to 3/4 of the known weight and fineness.

And these practices have been compassed by Bankers and Cashiers,

for oblique Considerations, from the Favourites of such Princes

and States.

Qu. 15. It is then the Honour of England that no such Tricks

have been practiced, though in the greatest Streights that ever

that State hath been in?

Answ. It hath been their Wisdom, and consequently their

Honour to keep up a Rule and Measure of trade amongst themselves,

and with all Nations.

Qu. 16. But is there no Case wherein Money may be justly and

honourably raised?

Answ. Yes, in order to Regulation and Equalization of Species

of Coines; As when two Species of one Weight and Fineness are

taken at different Rates, then the one may be raised or the other

depressed: But this must be rated by the estimation of the whole

World as near as it can be known, and not by any private Notion;

and the like may be done between Gold and Silver.

Qu. 17. What do you think of the rising or falling of the

Price of Lands, from this following Instance, viz. A piece of

Land was sold 60 years ago for 1000 l. that is, for a 1000

Jacobusses; and the same Land is now sold for 1000 l. or 1000

Guineas, and the Guinea is but 5/6 the weight of the Jacobus. Is

the Land cheaper now than 60 Years ago?

Answ. It looks like a Demonstration that it is: Yet if Gold

be not Money, but a Commodity next like to Money, and that Silver

be only Money; then we must see whether 1000 Jacobusses would

then purchase no more Silver than 1000 Guineas will do now: For

is so, the Land was heretofore and now sold for the same Quantity

of Money, though not of Gold; and is neither risen nor fallen by

what hath been instanced.

Qu. 18. What is the difference between retrenching or raising

of Money, and imbasing the Mettle of the same, as by mixing

Copper with Silver?

Answ. The first is the better of the two, if such Mixture be

of no use in other things: For if 20s which contains 4 Ounces of

Silver, should be reduced to 3 Ounces of Silver, it is better

than to add one Ounce of Copper to the same, in order to make 4

seeming Ounces as before: For if you come to want the said 3

Ounces of Silver mixt with Copper, you must lose the Copper, upon

the Test, and the Charge of Refining also, which will amount to

above 4 percent.

Qu. 19. What do you object against small silver Money; as

against Single Pence, Two Pences, etc.?

Answ. That the Coinage of small Pieces would be very

chargeable, and the Pieces themselves apt to lost, and more

liable to wearing; for little of our old small Money is now to be

seen, and our Groats are worn away to Three half Pence in Metal.

Qu. 20. What do you say of Money made wholly of base Metal

such as Farthings, etc.?

Answ. That the want of Materials ought to be made up by the

fineness of Coinage, to very near the intrinsick Value; or what

is gained by the Want of either, to be part of the King's

Revenue.

Qu. 21. What is best, Copper or Tin, for this purpose?

Answ. Copper: Because it is capable of the most imitable and

durable Coinage: though the Copper be Foraign, and Tin a Native

Commodity. For suppose Copper and Tin of the same value in

England; yet if 100 Weight of Tin sent to Turky will fetch home

as much Silk as will fetch above 100 of Copper from Sweden, in

such Case the Difference between Native and Foreign is nothing.

Qu. 22. This Doctrine may extend to a free exportation of

Money and Bullion, which is against our Laws: Are our Laws not

good?

Answ. Perhaps they are against the Laws of Nature, and also

impracticable: For we see that the Countries which abound with

Money and all other Commodities, have followed no such Laws: And

contrarywise, that the Countries which have forbid these

Exportations under the highest Penalties, are very destitute both

of Money and Merchandize.

Qu. 23. Is not a Country the Poorer for having less Money?

Answ. Not always: For as the most thriving Men keep little or

no Money by them, but turn and wind it into various Commodities

to their great Profit, so may the whole Nation also; which is but

many particular Men united.

Qu. 24. May a Nation, suppose England, have too much Money?

Answ. Yes: As a particular Merchant may have too much Money,

I mean coined Money, by him.

Qu. 25. Is there any way to know how much Money is sufficient

for any Nation?

Answ. I think it may pretty well be guessed at; viz. I think

that so much Money as will pay half a Years Rent for all the

Lands of England, and Quarters Rent of the Houseing, and a Weeks

Expence of all the People, and about a Quarter of the Value of

all the exported Commodities, is sufficient for that purpose. Now

when the States will cause these things to be computed, and the

Quantity of their Coins to be known, which the new Coining of

their old Money will best do, then it may also be known whether

we have too much or too little Money.

Qu. 26. What remedy is there if we have too little Money?

Answ. We must erect a Bank, which well computed, doth almost

double the effect of our coined Money: And we have in England

Materials for a Bank which shall furnish Stock enough to drive

the Trade of the whole Commercial World.

Qu. 27. What if we have too much Coine?

Answ. We may melt down the heaviest, and turn it into the

Splender of Plate, in Vessels or Utensils of Gold and Silver; or

send it out, as a Commodity, where the same is wanting or

desired; or let it out at Interest, where Interest is high.

Qu. 28. What is Interest or Use-Money?

Answ. A Reward for forbearing the use of your own Money for a

Term of Time agreed upon, whatsoever need your self may have of

it in the mean while.

Qu. 29. What is Exchange?

Answ. Local Interest, or a Reward given for having your Money

as such a Place where you need the use of it.

Qu. 30 What is the Trade of a Banker?

Answ. Buying and selling of Interest and Exchange: Who is

honest only upon the Penalty of losing a beneficial Trade,

founded upon a good Opinion of the World, which is called Credit.

Qu. 31. You were speaking of base Money and Farthings, which

are generally below the instrinsick Value, and therefore ought

not to be permitted to increase ad infinitum. Is there any way to

know how many were enough?

Answ. I think there is: viz. Allowing about 12d in Farthings,

to every Family; So as if there be a Million of Families in

England (as I think there be) then about 50000 l. in Farthings

would suffice for Change; and if such Farthings were but 1/5

below the intrinsick Value, a Nation would pay but 10000 l. for

this Convenience: But if this way of Families be not Limitation

enough, you may help it by considering the smallest Piece of

Silver Money current in the Nation; which how much lesser it is,

by so much lesser may the Number of Farthings be: The use of

Farthings being but to make up Payments in Silver, and to adjust

Accompts: To which end of adjusting Accompts let me add, that if

your old defective Farthings were cryed down to five a penny, you

may keep all Accompts in a way of Decimal Arithmetick, which hath

been long desired for the ease and certainty of Accompts.

Qu. 32. What do you think of our Laws for limiting Interest?

Answ. The same as limiting the Exportation of Money; and

there may be as well Laws for limiting Exchange also: For

interest always carrieth with it an Ensurance praemium, which is

very casual, besides that of Forbearance: For Instance, in

Ireland there was a time when Land (the highest Security) was

sold for 2 years Purchase: it was then naturally just to take 20,

30, or 40 per cent Interest; whereas there the Law allows but 10.

And since that time, Land being risen to 12 Years purchase,

responsible Men will not give above 8. And insolent Men will

offer cent per cent notwithstanding the Law. Again, suppose a Man

hath 100 l. of Land, worth 20 Years Purchase, and another 100 l.

in Houses worth 12 Years Purchase; and an other 100 l. in

Shipping, worth 2 Years Purchase; and another in Horses, worth 6

Months Purchase; Is it not manifest he must have a greater Yearly

praemium for lending his House than his Land, his Ship than his

House, and his Horse than his Ship? For if his Horse be worth 100

l. he cannot hire out for than 10s per diem, whereas the Land

will not yield a Groat for the same time; and these Hires are the

same with Interest.