A DISCOURSE
Concerning the CURRENCIES OF THE BRITISH PLANTATIONS IN AMERICA. Especially with regard to their PAPER MONEY.
WITH A POSTSCRIPT thereto.

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CURRENCIES

OF THE

BRITISH PLANTATIONS IN AMERICA, &c.

THE many Schemes at present upon the Anvil in Boston, for emitting enormous Quantities of Paper Currencies; are the Occasion of this Discourse. The Writer does not vainly pretend to dictate to Government, or prescribe to Trade; but with a sincere Regard to the Publick Good, has taken some Pains to collect, digest, and set in a proper Light, several Facts and Political Experiences, especially relating to Paper Currencies; which, tho' plain in themselves, are not obvious to every Body. If any expressions should sound harsh, they are not to be understood as a Reflection upon this Province in general: It was always my Opinion, That the Province of the Massachusetts-Bay is, by far, the most vigorous and promising Plant (with proper Cultivation) of all the British Plantations: In the best of Countries at Times, bad Administrations, and private evil Men of Influence have prevailed. The Author is not a transient Person, who, from Humour, or Caprice, or other malevolent Views, may expose the Province: but is by Inclination induced, and by Interest obliged to study the Good of the Country.

All Commerce naturally is a Truck-Trade, exchanging Commodity which we can spare (or their Value) for Goods we are in want of. Silver itself is a Merchandize, and being the least variable of all others, is by general Consent made the Medium of Trade. If a Country can be supposed to have no Dealings but within itself, the Legislature, or tacit Consent of the People, may appoint or receive any Currency
Discourse Concerning the Currencies

at Pleasure: But a trading Country must have Regard to the universal commercial Medium, which is Silver; or cheat, and trade to a Disadvantage: It is true, that in some Countries of Europe Billon (a base Mixture of Metals) is used for small Change, but not as a Medium of Trade.

Every Country or Society have their own peculiar Regulations, which may be called their Municipal, or By-Laws in Trade; but the universal trading Part of the World, as one tacit Confederacy, have fallen into some general Rules, which, by Custom of Merchants, are become as fundamental: One of these is a Silver Medium of Trade, that all Contracts (Specialties excepted) are understood to be payable in this Medium, being always of the same fixed Value, or easily adjusted by the Par, and accidental small Differences of Exchange from one Country to another.

There can therefore be no other proper Medium of Trade, but Silver, or Bills of Exchange and Notes of Hand, payable in Silver at certain Use's or Periods, which, by a current Discount, are reducible to Silver ready Money, at any Time. The Debitor Party (I am ashamed to mention it) being the prevailing Party in all our depreciating Paper-money Colonies, do wickedly endeavour to delude the unthinking Multitude, by persuading them, that all Endeavours of the Governor, or Proposals and Schemes of private Societies, to introduce a Silver Medium, or a Credit upon a Silver Bottom, to prevent the honest and industrious Creditor from being defrauded; are Impositions upon the Liberty and Property of the People.

Depreciating of the Value of nummary Denominations, to defraud the Creditors of the Publick and of private Persons; by Proclamations of Sovereigns, by Recoinages, and by a late Contrivance of a depreciating Paper-credit Currency; were never practised, but in notoriously bad Administrations.

All over Europe, for many Ages preceding the 14th Century, the nummary Pound, and the Ponderal or Pound Weight of Silver, were the same: But in some following Ages, in bad Administrations, the Values of nummary Denominations were gradually reduced; as in England to
of the British Plantations in America, &c. 5

4oz. Silver value (upon all Occasions I use the nearest round Numbers) one Third of its original Value; in Holland the Pound Ulams (6 Guilders) to 2 oz. Silver, being only one Sixth of its original Value. A general Stop has been put to those notorious publick Frauds ever since Trade began to flourish: The Civil Governments becoming more polite, found it their Interest, in Affairs of a Medium of Trade, to be advised by the more knowing and experienced Traders: Thus, since the Reign of Edward VI. in England, the Shilling Denomination hath lost only 2 gr. Silver. We have two or three Instances of late in Europe, that have deviated from that Maxim of a fixed Value of Silver in Trade: These were in arbitrary Governments, under most arbitrary Administrations. 1. France by Reconnaissances from A. 1689, to the wise Administration of Cardinal Fleury, was obliged to defraud the Subject, to maintain unjust Wars and Rapisons upon its Neighbours, and lessened the Value of nummary Denominations from a Mark of Silver at 27 Livres to 80 Livres. 2. The King of Spain, A. 1688, lowered his Denominations 25 per Cent. A heavy Piece of Eight, formerly 8 Ryals Plate, passed for 10 Ryals current. 3. Sweden, under the Administration of Baron Gortz.

In all Sovereignities in Europe, where Paper-Money was introduced, great Inconveniencies happened; upon cancelling this Paper Medium all those Inconveniencies did vanish. 1. In Sweden, Baron Gortz by imposing Government Notes (and Munt Tokyns) reduced the People to extreme Misery (this was one of the principal Crimes allledged against him, when he suffered capital Punishment); but these being called in, and the Coin settled upon the same Foundation as it was before Charles XIIth’s Accession, Sweden flourished as formerly. 2. The late Regent of France, by the Advice of Mr. Law, did form a Project A. 1720, and by his arbitrary Power, endeavoured to put it in Execution; to defraud State Creditors and others, by banishing of Silver Currency, and by substituting a Paper Credit: The Effect was, the greatest Confusion, and almost utter Subversion of their Trade and Business. The Remedy was, (Mr. Law having
Discourse Concerning the Currencies

sneaked off, became a Profugus, and at last died obscurely) after a few Months, the Court of France were obliged to ordain, That there should be no other legal Tender but Silver Coin; and Commerce has since flourished in France more than ever. At present, under the wise Administration of Cardinal Fleury, (who allows of no Paper Currencies, nor Recoinages, which had the same Effect in depreciating nummary Denominations in France, that frequent and large Emissions of Paper-Money have in our Colonies) their Trade bids fair to outdo the Maritime Powers, (as Great Britain and Holland are called) and has a much better Effect in advancing the Wealth and Glory of France, than the romantick butchery Schemes of Conquest over their Neighbours, under the Administrations of Richlue, Mazarine, and others, in the Reigns of Lewis XIII. and XIV. 3. In Great Britain, A. 1716, were current four and a half Millions of Pounds Sterling in Escoquer Notes, being the largest Quantity current at one Time: Although they bore about half of legal Interest, and not equal to one Third of the concomitant national Silver Currency, they laboured much in Circulation; and the Government, to prevent their being depreciated, was obliged to give considerable Premiums to the Bank for cancelling some of them, and circulating the Remainder.

It is not easily to be accounted for, how England, France, and Holland, have tacitly allowed their several American Colonies, by Laws of their several Provinces, by Chancerings in their Courts of Judicature, and by Custom; to depreciate, from Time to Time, the Value of their original Denominations, to defraud their Principals and Creditors in Europe. The British Plantations have not only varied from Sterling, but have also very much varied from one another; to the great Confusion of Business, and Damage of the Merchant. This will appear plain, by inserting at one View the State of the Currencies in the several British Plantations; whereof some are per Exchange, some in Spanish Silver Coin, and some in Paper-Money, called Colony or Province Bills of Publick Credit.
of the British Plantations in America, &c. 7

Originally, and for some Years following, in all the English American Colonies, 5s. Denomination was equal to an English Crown Sterling. After some time, Pieces of Eight, being the general Currency of all foreign American Colonies, became also their Currency; and they remitted or gave Credit to the Merchants at home (by home is meant Great Britain) a Piece of Eight (Value 4s. 6d. Sterl.) for a Crown or 5s. Sterl. This was a Fraud of 11 per Cent. In sundry of our Colonies were enacted Laws against passing of light Pieces of Eight: These Laws not being put in Execution, heavy and light Pieces of Eight passed promiscuously; and, as it always happens, a bad Currency drove away the good Currency; heavy Pieces of Eight were shipped off. This current Money growing daily lighter, a Difference was made between heavy Money which became Merchandize, and light Money, in which they paid their Debts, gradually from 10, 15, 20, to 25 per Cent. as at present in Jamaica: This was another and continued Course of cheating their Creditors and Employers at home. From a Complaint of Merchants and others dealing to the Plantations, Queen Anne by Proclamation, and the Parliament of Great Britain afterwards by the Proclamation Act, ordered, That after Anno 1709, A heavy Piece of Eight and other Pieces in Proportion to their Weight, in all our Colonies, should not pass exceeding 6s. Denomination. This Act continues to be observed in none of our Colonies, excepting in Barbadoes and Bermudas. Virginia Currency was formerly, and continues still, better than what the Act directs.

In NEWFOUNDLAND, all large Sums are transacted in Sterling Bills of Exchange: Small Dealings are in English Coin Sterling Value, and in Pieces of Eight at 4s. 6d. being the Sterling Value.

In NOVA SCOTIA, the Sterling Bills of Exchange, on the Pay of the Troops, Garrison, and Train, supply them with what they may have occasion for from New England: Small Dealings are in New England publick Bills, and in French Coin from Cape Breton; one Livre equal to 4s. New England Currency. At Canso Fish and Oil are pur-
Discourse Concerning the Currencies

chased by Bills of Exchange, New England Money, upon Boston.

In the Four Colonies of New England, viz. New Hampshire, Massachusetts Bay, Rhode Island, and Connecticut, their Currency being Paper, is promiscuously the same.

NEW HAMPSHIRE (too diminutive for a separate Province, of small Trade and Credit) their Publick Bills are so much counterfeited, they scarce obtain a Currency; hence it is (the Governor’s Instruction limiting Sum and Period is also a Bar) that at present, their outstanding Bills of public Credit, some on Funds of Taxes, some on Loan, do not exceed 12,000l., gradually to be cancelled by December 1742. Their ordinary Charge of Government is about 1500l. New England Currency per Annum.

MASSACHUSETTS-BAY: This being more especially the Scene of our Discourse, we shall be more particular. At the first settling of the New England Colonies, their Medium was Sterling Coin at Sterling Value, and Barter; some Part of their Taxes was paid in Provisions and other Produce, called Stock in the Treasury. When they got into Trade a heavy Piece of Eight passed at 5s. A. 1652, They proceeded to coin Silver Shillings, six Pence, and three Pence, at the Rate of 6s. to a heavy Piece of Eight; Silver continued current at this Rate by sundry subsequent Acts of Assembly till A. 1705, by a Resolve of the General Court Silver was to pass at 7s. per Oz. A. 1706 the Courts of Judicature chancered Silver to 8s. per Oz. in satisfying of Debts, being nearly after the Rate of 6s. a light Piece of Eight as then current. At this Rate Silver and Province Bills continued upon Par until A. 1714, the Assembly or Legislature fell into the Error of making, from Time to Time, large superfluous Sums of Paper Money upon Loans, and the Emissions for Charges of Government not cancellable for many Years; so that these Publick Bills have been continually depreciating for these last 26 Years, and are now arrived to 25s. per Oz. Silver.

Massachusetts-Bay was the Leader of Paper Currencies in our Colonies. Their first Emission was of 40,000l. A. 1690

8
of the British Plantations in America, &c. 9

& 1691, to pay off the publick Debts incurrd by that expensive, unsuccessful Expedition against Canada; of this Sum 10,000l. was cancelled and burnt in October A. 1691: In the following Years no more new Emissions, but some Re-emissions of the Remainder, and that only for the necessary Charges of Government, called in by Rates or Taxes within the Year; the last Re-emission of these Bills was A. 1701, of 9,000l. Bills all this Period continued at the Rate of 6s. a heavy Piece of Eight, and were called Old Charter Bills. A. 1702 began new Emissions of Province Bills; but, as it ought to be in all wise Administrations, cancelled by Taxes of the same and next following Year, until A. 1704, the Rates for calling them in, were in Part postponed two Years; they began A. 1707 to postpone them in Part for three Years; A. 1709 for 4 Years; A. 1710 for 5 Years; A. 1711 for 6 Years; A. 1715 for 7 Years; A. 1721 for 12 Years; A. 1722 for 13 Years: Thus, unnaturally, instead of providing for Posterity, they proceeded to involve them in Debt. This long publick Credit and the enormous publick Loans, have depreciated our Province Bills to the small Value they bear at present; the Issues and Cancellings of their Bills being for a long Series of Years, is too tedious to be particularly and minutely inserted.

The Province of the Massachusetts-Bay, besides the Emission and Re-emissions of the 40,000l. old Charter Bills, have since A. 1702 emitted and re-emitted Bills of publick Credit, 1,132,500l. upon Funds of Taxes, and 310,000l. upon Loans, being in all near one and a half Million; whereof about 230,000l. still outstanding, and if publick Faith be better kept will be gradually cancelled by A. 1742. The ordinary Charges of Government may be about 40,000l. New England Currency per Ann. Exchange with Great Britain 450 per Cent. Advance, or five and an half New England for one Sterl.

RHODE-ISLAND, their first Emissions were A. 1710, towards paying more readily their Quota of Charges on the Expedition against Port Royal (now Annapolis Royal) in Nova Scotia, and have emitted from Time to Time, in all
10 Discourse Concerning the Currencies

399,300l. whereof only 19,300l. upon Funds of Taxes for Government Charges, and 360,000l. upon Loans, whereof there is at present outstanding (all upon Loans) 330,000l. cincter; which, if their publick Faith should chance to be kept in Time coming, will not be finished cancelling until A. 1759. The Interest of those publick Loans defrays the Charges of Government, and of their Towns.

I shall embrace this Opportunity of exemplifying the Iniquity of Colony publick Bills of Credit by the Instance of Rhode-Island, a small Colony containing about 18,000 Souls, under an old Charter very lax and general; they admit of no Instructions from the King, Council, or Board of Trade and Plantations; the King having no Representative or Commissioned Governor in their Legislature. This handful of People have lately made a very profitable Branch of Trade and Commerce by negotiating their own Paper Money in various Shapes: their Money being Loans of Paper Credit called Bills, from their Government to private Persons upon Land Security; to be repaid not in the same real Value, but in the same depreciating fallacious Denominations.

1. Their first Loan was A. 1715 for 10 Years, but have by subsequent Acts postponed and prolonged the Payments, so that the last Payment was A. 1738. Thus A. 1715 Exchange was at 65 per Cent. with England; A. 1738 Exchange was at 400l. per Cent. Advance; that is, for 100l. Sterl. Value received, they pay only after the Rate of 33l. Sterl. Suppose further, that the same Person upon the same Land Security, borrows again of the new Emission A. 1738, this 33l. Sterl. value; and, as formerly, by repeated large Emissions, Exchange becomes as at present in North-Carolina 10 for 1 Sterl. by A. 1758 the Period of this Loan, the original 100l. Sterling Value will be redeemed with 16l. Sterl. Value. And if this Paper Money Loan Trade, could be supposed to continue, the Land Security would gradually vanish, the Land redeemed, and the Debt paid with nothing.

2. They who take up this Loan Money are called Sharers; and for the first ten Years pay into the Treasury 5 per Cent.
of the British Plantations in America, &c. 11

per Annum Interest; and for the other ten Years pay 10 per Cent. per Annum of the Principal, without Interest. The Sharers let out this Money, in their own and neighbouring Colonies at 10 per Cent. for the said twenty Years (some let it at a higher Interest) is at the Expiration of the twenty Years 300l. for every 100l. Loan, Principal and simple Interest; for which only 150l. is paid into the Colony Treasury, and 150l. is clear Gain: So that in this Shape for every 100,000l. Emission, their People in the space of twenty Years, have after the Rate of 150,000l. clear Profits.

3. In another Shape; upon a new Emission, Interest is made with the Managers, to obtain Shares in the Loan: the Sharers immediately sell (or may sell) their Privilege, as it is called, for ready Money Præmium; at the Emission A. 1738 the Præmium was 35 per Cent: that is, the Emission of 100,000l. does immediately produce after the Rate of 35,000l. ready Money profit.

4. Rhode-Island purchases from their neighbouring large Province of the Massachusetts-Bay, all Sorts of British and Foreign Goods with this Paper Manufacture which cost nothing; which enables them to rival us in Trade, (particularly in that valuable Branch of it to the West-India Islands) and to which by some unaccountable Infatuation we give a Currency; while at the same Time our Merchants cannot make Returns by any Colony Paper Money, for these Goods; it is true, sometimes they bring us Molasses from our Sugar Islands, but mostly from Foreign Colonies, uncustomed, but naturalized upon Oath in Rhode-Island. We have a late good Law against the Currency of such Bills, but not being put in Execution, is of no Effect. The only Reason that can be assigned for giving the Rhode-Island Bills a Currency, is that they are received in all Payments by Consent: The same Reason may hold good for passing of any Bills, even the 500,000l. lately proposed without Fund or Period; and of counterfeit Bills, as in Fact some Bills of Connecticut of small Denominations, tho’ known to be Counterfeit, have a Currency.

CONNECTICUT, a Charter Colony of industrious