

REPRESENTATIONS ON THE SUBJECT OF MONEY

ISAAC NEWTON

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REPRESENTATION FIRST

TO THE

Right Honourable the Earl of *Oxford* and Earl of *Mortimer* ,

Lord High Treasurer of *Great Britain*.

May it please Your Lordship,

ACCORDING to your Lordship's Order, signified to me by Mr. Secretary *Harley*, in his Letter of *February* 26th last, I have considered the Letter of his Grace the Duke of *Ormond*, Her Majesty's Lieutenant General and General Governor of *Ireland*, sent to your Lordship, together with the Representation sent to his Grace from the Lords of Her Majesty's Most Honourable Privy Council of that Kingdom, mentioning a late Proclamation for making current in that Kingdom some Pieces of Foreign Gold and proposing to make current there, by further Proclamation, several other Pieces of Foreign Gold therein named, to prevent the Counterfeiting thereof: and as to the Value of the Pieces, I humbly represent, that the *Spanish* Pistoles, one with another, as they are brought hither by the Merchant, weigh 103 Grains each at a Medium, and are in Fineness half a Grain worse than Standard, and after the Rate that a Guinea is valued in *England* at 1*l.* 1*s.* 6*d.* are here worth 17*s.* 1*d.* and in *Ireland*, where the Silver Money is raised a Penny in the Shilling, if the Gold be raised in the same Proportion, become worth 18*s.* 6*d.* And in Proportion to the Quadruple Pistole weighs 412 Grains, the Double Pistole 206 Grains, and the Quarter Pistole 253/4 Grains: But in the Representation the Quadruple Pistoles are said to weigh 408 Grains, the Double Pistole 204 Grains, and the Quarter Pistoles 25 and an half Grains, whence I gather, that in the former Proclamation the Weight of the Pistole was but 102 Grains, which is a Grain lighter than the just Weight, this Grain, as I conceive, being abated to give a legal Currency to such lighter Pieces as want not above a Grain of their just Weight; and upon this Consideration the Quadruple, Double, and Quarter Pistoles may be put in Weight and Value as is expressed in the Representation; and so may the Double and Quarter Luidores, they being of the same weight, Fineness and Value with the Double and Quarter Pistoles.

The Moydores of *Portugal*, one with another, as they are brought hither by the Merchant, weigh 1653/4 Grains at a Medium, and a Quarter of a Grain better than Standard, and in *England* are worth 27*s.* 8*d.* Half-penny, and being raised a Penny in the Shilling, become worth 30*s.* in *Ireland*: In the Representation their Weight is put 168 Grains, which is certainly too much; and thence it comes to pass, that

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they are therein valued at 1 *l.* 10*s.* 6*d.* which is 6*d.* too much. I have examined the Weight of 30 Parcels of Moydore, containing a Thousand Moydore in each Parcel, and thereby found, that the Moydore, at a Medium, weighs only 1653/4 Grains; if in Favour of the lighter Pieces the Fraction be abated, their Weight and Value, in a new Proclamation, may be put as follows. The *Portugal* Piece of Gold, called a Moydore, and weighing 165 Grains, to pass at 1*l.* 10*s.* the Half Moydore weighing 82 Grains and an half, at 15*s.* and the Quarter Moydore, weighing 41 Grains and a Quarter, at 7*s.* 6 *d.*

Gold is over-valued in England in Proportion to Silver, by at least 9d. or 10d. in a Guinea, and this Excess of Value tends to increase the Gold Coins, and diminish the Silver Coins of this Kingdom; and the same will happen in Ireland by the like over-valuing of Gold in that Kingdom. But it's convenient that the Coins should bear the same Proportion to one another in both Kingdoms, to prevent all fraudulent Practices in those that Trade between them, and that the Proportion be ascertained by Proclamation.

All which is most humbly submitted to your

Lordship's great Wisdom.

Mint-Office, 3rd March, Is. Newton.

1711-12.

REPRESENTATION SECOND.

TO THE

Right Honourable the Earl of *Oxford* and Earl of *Mortimer* ,

Lord High Treasurer of *Great Britain*.

May it please Your Lordship,

IN Obedience to Your Lordship's Order of Reference signified to me by Mr. Taylor in his Letter of *June 16 inst.* I have perused the Representation from the Lords of the Privy Council of *Ireland*, touching a late Order of Council here for giving Currency in that Kingdom by Proclamation to some Foreign Coins, which were omitted in a former Proclamation, a printed Copy of which they have sent, desiring a Clause to be added to the said Order, for making such Allowance for light Pieces as was made in the said Proclamation; and that the Order may comprehend also the foreign Coins mentioned in that Proclamation, because the Original thereof under the Great Seal was destroyed by the late Fire that happened there at the Council-Chamber, so that the Clark of the Council cannot now certify that the printed Copy agrees with the Original verbatim as the late Act of Parliament; requires for the Conviction of Counterfeitors of those Coins. And upon comparing the said Representation. the said late Order of Council and printed Proclamation, I humbly represent, that the Weight of the Single Pistole and Luidore, being in the said Proclamation put 4 Penny-weight 8 Grains; the Weight of the Double Pistole and Double Luidore ought in Proportion to be put in a new Proclamation 8 Penny-weight 16 Grains and that of the Quadruple Pistole, or Double Doubloon 17 Penny-weight 8 Grains. And that the Moydore of *Portugal* (which as the Merchants bring them hither a little worn, weigh one with another 6 Penny-weight 213/4 Grains, and before wearing may be a Quarter of a Grain heavier or above) may be put in Weight 6 Penny-weight 22 Grains in the same Proclamation, and valued at 30*s.* For in *Ireland*, where an *English* Shilling passes for 13 *d.* the Moydore of this Weight is worth 29*s.* 111/2*d.* reckoning Gold 22 Carats fine at 41. *per* Ounce, as is usually done, and 30*s.* is a Medium, and the nearest round Number. And a Grain being allowed for Wearing, this Piece will be current till it weighs but 6 Penny weight 21 Grains, as was stated in the late Order of Council, and after that it will be still current by abating 2*d.* *per* Grain in its Value

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for what it wants of the Weight of 6 Penny—weight 22 Grains. For the latter Part of the printed Proclamation, concerning the Allowance for light Pieces, and concerning the Scales and Weights for weighing them, I am humbly of Opinion, should be continued in the next Proclamation.

I humbly beg leave to represent further to your Lordship, that the Weights and Values of the Silver Coins in the printed Proclamation would answer better to one another, and to the Coins themselves, if *2d.* were taken from the Value of the Crusado of *Portugal*, and 18 or 20 Grains added to the Weight of the Dollars, for the Crusado is reckoned in *Portugal* to be the 10th part of the Moydore in Value, and the Moydore is worth 30*s.* in Ireland as above, and yet the Crusado is valued in the Proclamation at 3*s.* *2d.* Its Weight before Wearing is : 11 Penny—weight 4 Grains, and a Crusado of this Weight is worth but 3*s.*

Rix—Dollars, Cross—Dollars, and other Dollars, are in the Proclamation put of the same Weight and Value of the Pieces of Eight and Lewises, and ought to be 18 or 20 Grains heavier to be of the same Value.

Rix—Dollars are of several sorts, and before Wearing Weighed about 18 Penny—weight and 6, 8, or 10 Grains, and Cross—Dollars 18 Penny—weight 1 Grain. That they may be worth 4*s.* *9d.* which is the Value in the Proclamation, they should weigh at least 17 Penny—weight 18 Grains.

I am humbly of Opinion therefore, that the Gold Coins should be of the Weight and Fineness expressed in the Paper hereunto annexed*, and the Silver ones, all in the printed Proclamation, unless for the Reasons above mentioned, it should be thought fit to take *2d.* from the Value of the Crusadoes, and add 18 Grains to the Weight of the Dollars.

All which is humbly submitted to your

Lordship's great Wisdom.

Mint—Office, 23 June, Is. Newton.

1712.

* The table of the weight, fineness, and value of different coins, which was added to this Representation, has not been reprinted.

REPRESENTATION THIRD

TO THE

Right Honourable the *Lords Commissioners* of His

Majesty's Revenue.

May it please your Lordships.

IN Obedience to your Lordships *Order of Reference of August 12th*, that I should lay before your Lordships a *State of the Gold and Silver Coins of this Kingdom in Weight and Fineness, and the Value of Gold in Proportion to Silver, with my Observations and Opinion, and what Method may be best for preventing the Melting down of the Silver Coin; I humbly Represent*, That a Pound Weight Troy of Gold, 11 Ounces fine, and 1 Ounce Allay, is cut into 44 Guineas and Half, and a Pound Weight of Silver, 11 Ounces, 2 Penny Weight fine, and 18 Penny Weight Allay, is cut into 62 Shillings; and according to this Rate, a Pound Weight of fine Gold is worth 15 Pounds Weight 6 Ounces, 17 Penny Weight and 5 Grains of fine Silver, reckoning a Guinea at 1*l.* 1 *s.* 6*d.* in Silver Money. But Silver in Bullion exportable is usually worth *2d.* or *3d.* per Ounce

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more than in Coin. And if at a Medium, such Bullion of Standard Allay be valued at 5 s. 4d. Half penny *per* Ounce, a Pound Weight of fine Gold will be worth but 14 Pound Weight 11 Ounces, 12 Penny Weight 9 Grains of fine Silver in Bullion. And at this Rate, a *Guinea* is worth but 80 much Silver as would make 20s. 8d. When Ships are lading for the *EastIndies*, the Demand of Silver for Exportation raises the Price to 5s. 6d. or 5s. 8 d. *per* Ounce, or above, but I consider not those extraordinary Cases.

A *Spanish Pistole* was coined for 32 Reas, or 4 Pieces of *Eight Reas*, usually called *Pieces of Eight*, and is of equal Allay, and the 16th Part of the Weight thereof. And a *Doppio Moeda of Portugal* was coined for 10 *Crusadoes of Silver*, and is of equal Allay, and the 16th Part of the Weight thereof; Gold is therefore in *Spain and Portugal* of 16 times more Value than Silver of equal Weight and Allay, according to the Standard of those Kingdoms; at which Rate, a *Guinea* is worth 22s. 1d. But this high Price keeps their Gold at Home in good Plenty, and carries away the *Spanish Silver* into all Europe, so that at Home they make their Payments in Gold, and will not pay in Silver without a Premium. Upon the coming in of a *PlateFleet*, the Premium ceases, or is but small; but as their Silver goes away and becomes scarce, the Premium encreases, and is most commonly about 6 per Cent. which being abated, a *Guinea* become, worth about 20s. 9d. in *Spain and Portugal*.

In *France* a Pound Weight of fine Gold is reckoned worth 15 Pound Weight of fine Silver; in raising or falling their Money, their King's Edicts have sometimes varied a little from this Proportion, in Excess or Defect; but the Variations have been so little that I do not here consider them. By the Edict of May 1709, a new *Pistole* was coined for 4 new *Lewises*, and is of equal Allay, and the 15th Part of the Weight thereof, except the Errors of their Mints. And by the same Edict, fine Gold is valued at 15 times its Weight of fine Silver, and at this Rate a *Guinea* is worth 20s. 8d. Halfpenny. I consider not here the Confusion made in the *Monies* in *France*, by frequent Edicts to send them to the Mint, and give the King a Tax out of Them; I consider the Value only of Gold and Silver in Proportion to one another.

The *Ducats of Holland and Hungary*, and the *Empire*, were lately currant in *Holland* among the common People in their Markets and ordinary Affairs at 5 *Guilders* in Specie, and 5 *Stivers*, and commonly changed for so much Silver *Monies* in three *GuilderPieces* as *Guineas* are with us for 21s. 6 d. *Sterling*; at which Rate a *Guinea* is worth 20 s. 7d. Halfpenny.

According to the Rates of Gold to Silver in *Italy, Germany, Poland, Denmark, and Sweden*, a *Guinea* is worth about 20s. and 7d. 6d. 5d. or 4d. for the Proportion varies a little within the several Governments in those Countries. In *Sweden*, Gold is lowest in Proportion to Silver, and this hath made that Kingdom, which formerly was content with *Copper Money*, abound of late with Silver, sent thither (I suspect) for *Naval Stores*.

In the End of King *William's* Reign, and the first Year of the late Queen, when *Foreign Coins* abounded in *England*, I caused a great many of them to be assayed in the Mint, and found by the Assays, that fine Gold was to fine Silver in *Spain, Portugal, France, Holland, Italy, Germany, and the Northern Kingdoms*, in the Proportion above mentioned, Errors of the Mints excepted.

In *China and Japan*, one Pound Weight of fine Gold is worth but 9 or 10 Pounds Weight of fine Silver, and in *EastIndia* it may be worth 12. And this low Price of Gold in Proportion to Silver, carries away the Silver from all Europe.

So then, by the Course of Trade and Exchange, between Nation and Nation in all Europe, fine Gold is to fine Silver as 144/5, or 15 to one; and a *Guinea* at the same Rate is worth between 20s. 5d. and 20s. 8d. Halfpenny except in extraordinary Cases, as when a *PlateFleet* is just arriv'd in *Spain*, or Ships are lading here for the *East-Indies*, which Cases I do not here consider. And it appears by Experience as well as by Reason, that Silver flows from those Places where its Value is lowest in Proportion to Gold, as from *Spain* to all Europe, and from all Europe to the *EastIndies, China and Japan*; and that Gold is most plentiful in those

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Places, in which its Value is highest in Proportion to Silver, as in Spain and England.

It is the Demand for Exportation which hath raised from the higher Price of exportable Silver about 2d. or 3d. in the Ounce above that of Silver in Coin, and hath thereby created a *Temptation to export or Melt down the Silver Coin, rather than give 2d. or 3d. more for Foreign Silver*; and the Demand for Exportation arises from the higher Price of Silver in other Places than in *England*, in Proportion to Gold, that is, from the higher Price of Gold in *England* than in other Places, in Proportion to Silver, and therefore may be diminish'd by lowering the Value of Gold in Proportion to Silver. If Gold in *England*, or Silver in *East-India*, could be brought down so low as to bear the same Proportion to one another in both Places, there wou'd be here no greater Demand for Silver than for Gold to be exported to *India*; And if Gold were lowered only so as to have the same Proportion to the Silver Money in *England*, which it hath to Silver in the rest of *Europe*, there would be no Temptation to export Silver rather than Gold to any other Part of *Europe*. And to compass this last, there seems nothing more requisite, than to take off about 10d. or 12d. from the Guinea, so that Gold may bear the same Proportion to the Silver Money in *England*, which it ought to do by the Course of Trade and Exchange in *Europe*; but if only 6d. were taken off at present, it would diminish the Temptation to export or melt down the Silver Coin, and by the Effects, would shew hereafter better than can appear at present, what further Reduction would be most convenient for the Publick.

In the last Year of King *William*, the Dollars of *Scotland* worth about 4s. 6d. Halfpenny were put away in the North of *England* for 5s. and at this Price began to flow in upon us: I gave Notice thereof to the Lords Commissioners of the Treasury, and they Ordered the Collectors of Taxes to forbear taking them, and thereby put a Stop to the Mischief.

At the same time the Lewidors of *France*, which were worth but 17s. and 3 Farthings a Piece, passed in *England* for 17s. 6d. I gave Notice thereof to the Lords Commissioners of the Treasury, and his late Majesty put out a Proclamation, that they should go but at 17s. and thereupon they came to the Mint, and 1100000l. were coined out of them; and if the Advantage of 5d. 1 Farthing a Lewidor sufficed at that Time to bring into *England* so great a Quantify of French Money, and the Advantage of 3 Farthings in a Lewidor to bring it to the Mint, the Advantage of 9d. Halfpenny in a Guinea, or above, may have been sufficient to bring the great Quantity of Gold which hath been coined in these last 15 Years without any Foreign Silver.

Some years ago the *Portugal* Moydores were received in the West of *England* at 28s. a Piece; upon Notice from the Mint, that they were worth only about 27s. 7d. the Lords Commissioners of the Treasury ordered their Receivers of Taxes to take them at no more than 27s. 6d. Afterwards many Gentlemen in the West sent up to the Treasury a Petition, that the Receivers might take them again at 28s. and promised to get Returns for this Money at that Rate, alledging, that when they went at 28s. their Country was full of Gold, which they wanted very much. But the Commissioners of the Treasury considering that at 28s. the Nation would lose 5d. a Piece, rejected the Petition. And if an Advantage to the Merchant of 5d. in 28s. did pour that Money in upon us, much more hath an Advantage to the Merchant of 9d. Halfpenny in a Guinea or above, been able to bring into the Mint great Quantities of Gold without any Foreign Silver, and may be able to do still, 'till the Cause be removed.

If Things be let alone 'till Silver Money be a little scarcer, the Gold will fall of it self; for People are already backward to give Silver for Gold, and will in a little Time, refuse to make Payments in Silver without a Premium, as they do in *Spain*; and this Premium will be an Abatement in the Value of the Gold: And so the Question is, Whether Gold shall be lowered' by the Government, or let alone 'till it falls of it self, by the Want of Silver Money ?

It may be said, That there are great Quantities of Silver in Plate, and if the Plate were coined, there would no Want of Silver Money: But I reckon that Silver is safer from Exportation in the Form of Plate than in the Form of Money, because of the greater Value of the Silver and Fashion together; and therefore I am not for

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coining the Plate till the Temptation to export the Silver Money (which is a Profit of 2d. or 3d. an Ounce) be diminished: For as often as Men are necessitated to send away Money for answering Debts Abroad, there will be a Temptation to send away Silver rather than Gold, because of the Profit, which is almost 4 per Cent. And for the same Reason Foreigners will choose to send hither their Gold rather than their Silver.

All which is humbly submitted to your

Lordships great Wisdom.

Mint-Office, Sept. Isaac Newton.

21, 1717.

FINIS.