

Holograph drafts of MINT00322 (/catalogue/record/MINT00322), (Mint 19/2/111-16).

Author: Isaac Newton

Source: MINT 19/2/96-8, 102-3, 107-8, 109, National Archives, Kew, Richmond, Surrey, UK

To the Right Honorable the Lords Commissioners of his Majesties Treasury

May it please yo^r Lordships

In obedience to yo^r Lordships Order of Reference of Aug. 12. 1717, that I should lay before yo^r Lordships a state of the Gold & Silver Coins of this kingdom in weight & fineness & the value of gold in proportion to silver with any observations & opinion & what method may be most effectual for preventing & discouraging the meting down or exporting the silver Coin: I humbly represent yo^r Lordships that for informing my self about this matter, I did in the end of the reign of King William & the first year of the late Queen when forreign coins were plentiful in England cause many of them to be assayed in the Mint & found thereby & by other observations

That one pound weight of fine gold is valued at sixteen pounds weights of fine silver in Spain & Portugal, at 14^{£wt} 6^{oz} 17^{dwt} 58^r in England, at 15^{£wt} in France at 14^{£wt} 11^{oz} 5^{½dwt} in Holland, & at 14^{£wt} 11^{oz} in Italy & Germany, or there abouts. For the several Mints in Italy & Germany do not perfectly agree with one another. And according to these valuations the fine gold in a Guinea which in England is valued at 21^s 6^d, is worth in Spain & Portugal 22^s 1^d, in France 20^s 8^½, in Holland 20. 7^½, in Italy & Germany 20^s 7^d & in Denmark & Sweden it is worth about 20^s 4^d.

The high price of Gold in Spain & Portugal keeps it at home & carries away their silver into all Europe, so that they make their payments in gold & will not pay in Silver unless for a premium of 6 per cent. Which being abated a Guinea is wirth 20^s 9^d in Spain.

The high price of Gold in England brings it to us & carris away our silver into all Europe except Spain & Portugal & enables the Merchant to give 5^s 4^d per ounce for silver in bullion which in coin is worth but 5^s 2^d & encourages those that want silver to melt down the coin rather then buy bullion at 5^s 4^d per ounce.

In China & Japan one pound weight of fine gold is worth but 9 or 10 pounds weight of fine silver, & this low price of gold carries away the silver from all Europe & makes silver in bullion worth 5^s 6^d or 5^s 8^d per ounce as often as ships are lading for the E. Indies: but the excessive price in these cases I do not consider in this Paper.

And because silver in bullion is for these reasons constantaly worth more in bullion then when coined, there has no forreign silver come to the mint these many years last past.

To prevent the exportation & melting down of our silver money (except to the Indies) & to bring silver to the Mint I can think of no better means then to make silver worth as much in coyn as it is usually in bullion. And to do this I know but two methods. Either the value of the silver money must be raised, or that of the gold lowered, so that in England Gold & silver moneys may in value beare the same proportion to one another in England which they do in France Italy Holland & Germany. A pound weight of Standard silver is now cut into sixty & two shillings. If it were cut into 64^s or $6s^s 6^d$ an ounce of Silver money would be worth 2^d or $2^d \frac{1}{2}$ more then it is at present, & so be equal in value to an ounce of bullion of the same allay except when there is a great demand for silver to go to the east Indies. But there is no need of altering the standard of silver money The same thing may be done by lowering the price of gold in the same proportion. By the Indentures of the Mint under the broad seale a Guinea has been coined for twenty Shillings ever since the coinage of the mill & press was set up. And accordingly in the Mint we still call it a twenty Shillings piece. It now goes for 18^d more then this value. If it was lowered to $20^s 8^d$ (or in a rounder number to $20^s 6^d$) the mischief would be cured except so far as it arises from the extraordinary demand of silver for the east Indies when ships are lading to go thither.

Those that import Gold represent that their profit is but small & if by lowering the price of Gild their profit be taken way, there will be whither Gold nor silver imported. But must the nation pay 38 or 40 shillings too much for every pound weight of Gold imported? Must all our silver be exported to enrich the merchant? & is there no remedy?

In the last year of king William the Dollars of Scotland worth about $4^s 6^d \frac{1}{2}$ were put away in the north of England for 5^s & all this price begā <96v> to flow in upon us. I gave notice thereof to the Commissioners of the Treasury & they ordered the receivers of Taxes to forbear taking them at that price & thereby put a stop to the mischief.

At the same time the Lewidors of France which were worth but $17^s \frac{3}{4}^d$ passed in England at $17^s 6^d$ I gave notice thereof to the Commissioners of Treasury & his late Majesty put out a proclamation that they Should go but at 17^s & thereupon they came to the Mint & a Million & about 400 thousand pounds were coyned out of them And of the advantage $5\frac{1}{4}$ in a Lewidor did at that time bring into England so great a quantity of French moeny, the advantage of $9\frac{1}{2}$ or above in a Guinea may have been sufficient to bring in the great quantity of gold which has been coined in these last 18 years without any forreign silver.

Some years ago the Portugal Moiders were received in the west of England at 28^s a piece. Upon notice from the Mint that they were worth about $27^s 7^d$, the Lords Commissioners of the Treasury ordered their Receivers of Taxes to take them at no more then $27^s 6^d$. Afterward {many} Gentlemen the West sent up to the Treasury a Patition that the Receivers might take them again at 28^s & promised to get returns for the Receiveds at that rate, alledging that when they went at 28^s , the country was full of gold which they wanted very much. But the Commissioners of the Treasury considering that at 28^s the nation would lose 5^d a piece by them rejected their petition. And if an advantage to the Merchant of 5^d in 28^s did npower that money in upon us, much more hath an advantage to him of $9\frac{1}{2}^d$ or 10^d in guiena been able to pound in gold upon us & carry out our Silver.

<97r>

And this may be done by bringing the value of the Guineas nearer to the Standard. A Guinea is coyned or 20^s , but goes for $21^d 6^d$, & by the proportion of gold to silver in bullion it ought to go not for more then $20 9^d$ nor for less then $20^s 6^d$. About 10^d may be therefore taken from the Guinea & if at present only 6^d were taken from it , this would save

<97v>

I humbly represent to your Lordships that a pound weight Troy of ☉ eleven ounces fine is cut into $44\frac{1}{2}$ Guineas, & a pound weight of silver eleven ounces two penny weight fine is cut into 62 shillings, &

according to this rate a pound weight of fine gold is worth 15 pound weight six ounces seventeen penny W^t & five-grains of fine silver, reckoning a guinea at 1[£] 1^s 6^d sterling.

A Spanish Pistole was coined for 32 Reas or four pieces of Eight & Reas usually called pieces of Eight & is of equal allay & the sixteenth part of the weight thereof.

A Doppio Maeda of Portugal was coined for ten Crusados of silver & is of equal allay & the sixteenth part of the weight thereof,

Gold is therefore in Spain & Portugal of 16 times more value than silver of equal weight & allay. At which rate a Guinea is worth 22^s 1^d But this high price keeps their gold at home & carries away their silver into all Europe so that they make their payments in gold & will not pay in silver unless for a premium of six per cent. Which being abated a Guinea becomes worth 20^s 9^d in Spain & Portugal

In France by the Edict of May 1709 a new Pistole is coined for four new Lewisses & is of equal allay & the fifteenth part of the weight thereof and generally fine ☉ has in France been valued at fifteen times its weight of fine silver. At which rate a Guinea is worth 20.8 $\frac{1}{2}$

A Ducat of Holland & the Empire was lately current in Holland at 5 Guilders & 5 styvers. At which rate a Guinea is worth 20^d 7 $\frac{1}{2}$ ^d

According to the rates of Gold to silver in Italy Germany, Poland Denmark & Sweden a Guinea is worth 20^s & 7 $\frac{1}{2}$, 7^d, 6^d, 5^d or 4^d/ For the proportion varies a little in the several governments within those countries.

In the end of king Williams reigns & the first year of the late Queens when foreign coyns abounded in England I caused a great many pieces to be assayed in the Mint & found by those assays that fine gold was to fine silver in Spain, Portugal, France Holland Italy Germany & the northern kingdoms in the proportions above mentioned.

The high price of ☉ in Spain & Portugal

In France, a pound weight of fine Gold is reckoned worth fifteen pounds weight of fine silver. In raising & falling their money they have sometimes in the kings edicts varied a little from this proportion in excess or defect: but the variations have been so little that I do not here consider it. By the Edict of May 1709 a new Pistole was coined for four new Lewisses & is of equal allay & the fifteenth part of the weight thereof, except the errors of their Mints. And at this rate a Guinea is worth 20.^s 8 $\frac{1}{2}$ ^d.

The high price of Gold in England brings it in to us, & carries away our silver into all Europe except perhaps Spain & Portugal & by the demand for exportation raises the price thereof to 2^d or 3^d an ounce in bullion above what it is worth in money. Add thereby hinders its coming to the Mint & encourages those that want silver in bullion to melt down the coin rather than buy bullion at so high a price. For the proportion of Gold to silver in bullion is settled by the Merchants according to the Markets of Europe. And where the proportion is not the same in the money as in the Bullion, the Merchant & Goldsmith will make their advantages of the difference. And the proper remedy is to mend the proportion in the money, & make it the same as in the bullion. And this may be done either by altering the standard of the silver money & cutting an ounce of bullion into about 5^s 4 $\frac{1}{2}$ ^d or better by bringing the Gold moneys nearer to the legal standard For by the legal standard a Guinea is coined for 20^s, but goes now for 21.^s 6^d, & by the proportion of Gold to silver in bullion ought to go only for about 20^s 8^d: or certainly not for more than 20^s 9^d nor for less than 20^s 6^d. Yet if only 6^d should be taken off from the Guinea at present: it would save the nation 24^s in every pound weight of fine Gold imported, & diminish the temptation to melt down or export the silver money & sometimes perhaps it might bring some foreign silver to the Mint.

But this is to tell us that the trade for gold is not worth the having upon a par. That the nation must either lose it or still pay for every pound weight of gold imported 38 or 40 more than it is worth that our silver

must still be exported to enrich the Merchant. And is there no remedy.

38. 4. 5.

15 $-\frac{1}{4}$

570. 60. 75

573. 6. 3

563. 8. 3

494.^l 6.^s 4.

32. 16. 7. $\times 15\frac{1}{17}$

492. 08. 9.

8. 1. 8

493. 0. 5

514: 1. 10 old

34. 5. 9 $\times 15 - \frac{1}{135}$

544. 6. 3.

<98r>

I consider not here the confusion made in the moneys in France by frequent Edicts to send them to the Mint & give the king a Tax out of them. I consider only the value of ₤ & £ in proportion to one another.

The Ducats of Holland Hungary & the Empire were lately current in Holland among the common people in their Markets & ordinary affairs at five Guilders in specie & give styvers, & commonly changed for so much silver money in three Guilder pieces & Guilder pieces, as Guineas are changed with us for 21^s. 6^d Sterling And at this rate a Guinea.

- In Sweden Gold is lowest in proportion to silver & this has made that Kingdom which formerly was content with copper moneys abound of late with Silver, sent thither (I suspect) for naval stores.

It is the demand for exportation which hath raised the price of of exportable silver about 2^d or 3^d in the ounce above that of silver in coyn. And this demand aris from the higher value of Silver in other places then in England in proportion to gold, & is not to be remedied with out bringing down the Price of the Guinea to what it ought to be in proportion to the silver coyns by the course of Trade & Exchange . That is from 21^s 6^d to 20^s 8^d or perhaps to 20^s 6. For the proportion of Gold to silver in value is settled by the course of Trade & Exchange between nation & nation & cannot be altered by what we do amongst our selves in England alone. And therefore the lowering of Gold in proportion to our silver money will also lower forreign silver in proportion to the same silver money. Or to speak more truly, it will raise the value of our coin to that of forreign silver For the lowering of Gold in proportion to our silver money is the same thing with the raising of our silver money in proportion to Gold. And Gold is now become our standard money as in Spain & silver rises & falls in its value as a commodity.

- & hath thereby created a temptation to export or melt down the silver coyn rather then give 2^d or 3^d more for forreign silver. And the demand for exportation arises from the higher value of Silver in other places then in England in proportion to gold, that is, from the higher value of gold in England then in other places in proportion to silver, & therefore may be diminished by lowering the value of gold in proportion to silver. If Gold could be brought down so low in England or silver in East India as to beare the same proportion to one

another in both places, there would be no greater demand for silver then for gold to be exported to India. And if gold were brought down 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 then ☉ to any other part of Europe. And to compass this last, there seems nothing more requisite then to take off about 10d or 12d from the price of the Guinea. But if only 6^d were taken off at present, it would diminish the temptation to export or melt down the silver coin, & by the effect would shew hereafter better then can appear at present, what further reduction would be most convenient for the public.

<98v>

<101r>

So then it appears by experience as well as by reason that silver flows to those places where its value is highest in proportion to Gold; going to all Europe from Spain & to the East Indies & China from all Europe. And its value in proportion to gold being higher in France, Holland & all Europe except Spain & Portugal, then it is in England, this is a reason why it should incline to go from England into all Europe except Spain & Portugal. And so Gold is apt to abound in those places where its value is highest in proportion to silver, & for that reason abounds in Spain & is their standard money while silver goes from them as fast as it comes from America & rises & falls in its price like a commodity, being lowest upon the coming in of a plate fleet & rising in its price as it goes away & becomes scarce till the arrival of another plate fleet. And so in England where its value is higher then in any other part of the world except Spain Portugal & the West Indies by its plenty it is become the standard money of the nation while Silver flows from us as fast as it comes from Spain, & rises & falls in its price like a commodity according to the demand of the Merchant for bullion. And because there is a constant demand of bullion either for exportation or for other uses, thence it is that the value of silver is constantly higher in bullion then in coin, by 2^d or 3^d in an ounce. And this is a standing temptation to turn money into bullion rather then bullion into money. And because the value of Silver in proportion to gold is lowest where the value of Gold in proportion to Silver is highest, therefore the high price of Gold doth not

only tend to bring in Gold but also to carry away silver. And the more Gold is overvalued the faster silver will go out.

For where the price of Gold is lowest in proportion to silver there the price of Silver is highest in proportion to Gold, & on the contrary. And this makes silver flow to those places where the price of gold is lowest & from those places where the price of Gold is highest And So Because Gold is higher in Spain & Portugal then in the rest of Europe & in Europe then in the East Indies & China, therefore Silver flows from Spain into all Europe & from all Europe into the East Indies & China. And so because gold is higher in England then in the rest of Europe except Spain & Portugal, therefore silver will incline to go from England into all Europe except Spain & Portugal. And this I take to one great reason of our want of Silver

In the last year - - - be removed. For a Guinea is valued at $9\frac{1}{2}$ more in England then in any other part of Europe except Spain & Portugal.

<102v>

The proportion of gold to silver in Bullion is settled by the Merchant in the Markets of Europe. And according to this pr{por}tion the gold in a Guinea is worth about 20^s 9^d in Spain, 20^s 8 $\frac{1}{2}$ in France, 20^s 7 $\frac{1}{2}$ in Holland & **{illeg}** 7^d, 6^d 5^d or 4^d in Italy Germany Hungary & the northern kingdoms. & in England where silver in Bullion is usually valued at 5^s 4^d or 5^s 4 $\frac{1}{2}$ ^d an ounce, if it be valued at 5^s 4 $\frac{1}{2}$ ^d an ounce, a [a pound weight of fine Gold will be worth 14.£w 11,oz 18^{dwt} $\frac{1}{4}$ of fine silver &] a Guinea will be worth about 20^s 20^s 8.^d And when ships are lading for the East Indies & the demand raises silver in bullion to 5 6^d an ounce or above A Guinea at that rate will not be worth 20^s 2^d per ounce.

THat Gold may therefore beare the same proportion to silver in the English moneys which Gold bullion doth to silver bullion in the Markets of Europe, a Guinea ought to be valued at no more then 20^s 9^d. And it would be better to value it at 20^s 8^d oe 20^d 6^d. But because the lowering of the Gold monies is against the interest of

those who make a profit by the present value or have hoards of gold moneys, it may be better to lower it by steps & begin with taking off 6^d from the present value of the Guinea. // To do this cannot affect the course of exchange. For that course depends not on the laws of particular countries but on the course of trade & proportional value of Gold & silver in the Markets of Europe between nation & nation which will not be allowed by the value put upon gold & silver between the kings subjects. This value at {lowe} ought to be as just as may be that the kings Subjects may not prey upon one another. And if gold be not lowered it will fall of it self so soon as the silver money begins to be so scarce that people will not give silver for gold nor make payments any longer in silver without a premium.

Nor can the lowering of Gold at home affect the course of Trade abroad that course depending only on the proportional value of gold & silver in bullion between nation & nation which will not be altered by what we do at home amongst our selves. It can only take off something from the profit which may be made by bringing in gold & carying out or melting down the silver money which profit is a damage to the publick

So then one pound weight of fine gold is worth fifteen pounds weight & of fine silver in all Euro{pa} or a little less suppose 14 & 10 or 11. And according to this rate a Guinea is worth 20^s . 8 $\frac{1}{2}$ ^d or a little less And this the value of a Guinea

So then according to the Markets of all Europe & by consequence according to the course of Exch. one pound weight of fine Gold is worth fifteen pounds weight of fine silver or fifteen pounds weight wanting two or three ounces. And a Guinea is worth 20s & 8 $\frac{1}{2}$ ^d or a penny or two less, & therefore is overvalued in our coin by about 10^d, or 11^d, And it appears by experience as well as by reason that silver will be apt to flow to those places where Gold is lowest in proportion to silver & from those places where Gold is highest. For where Gold is highest in proportion to silver there silver is lowest in proportion to gold & where Gold is lowest there is highest. For this reason Silver flows from Spain into all Europe upon the coming in of every Silver plate fleet & from all Europe to the Indies & China & Gold stays in Spain & is their standard money while silver rises & falls as a commodity And for the same reason while Gold moneys are over valued in England there is a temptation to send our silver moneys into all Europe except Spain & Portugal & to send gold from all Europe to be turned in Gold moneys in England & {w}here silver is wanted for manufecture there is the same temptation to melt down the silver moneys rather then give 2^d or 3^d p^r ounce more for foreign silver.

In the last year of King William - be removed.

The proportion of Gold to silver in Bullion is settled by the Merchant according to the Markets of Europe & course of Exchange & will not be alter'd by what we do in England amongst our selves, The price of foreign Gold has been raised in England too high by raising the price of Guineas & the way {t}o bring down to its just value is to lower the price of the Guinea & of by this means the price of {f}oreign Gold shall be lowered, the price of foreign silver will be lowered at the same time price of the Guinea lowers the price of foreign in our own Mar ket, which has been raised too high by over valuing the Gold moneys, it will also lower the price of foreign silver & bring it nearer to 5^s 2^d per ounce which is its price in the Mint. If a pound weight of standard silver should be cut into 3. $\frac{1}{2}$ 4. 6^d it would make an ounce of silver moneys worth 5^s 4 $\frac{1}{2}$ ^d & by consequence equal in value <103r> to an ounce of foreign silver & thereby take away the temptation to export or melt down the silver money. But there is no need of altering the standard. The same thing may be done by bringing the value of the Guinea in silver money nearer to the standard. For by the standard of England settled by the Indenture of the Mint under the broad Seal, a Guinea is coined for 20^s {&c} in the Mint is still called a twenty shillings piece & is now raised by private interest to 1^s or above the standard. It was gradually raised by the Goldsmiths selling Guineas for 2^d a piece more then they were worth their current value to Gentlemen who wanted them upon journeys for lightness of carriage. It was private interest without regard to the publick which at first braised the price of Guineas too high were it not for private interest there would be no difficulty in bringing them down to the price which they should have by the course of trade & exchange. This price I reccon about between 20^s 8^d or 20^s 6^d. But if at present the Guinea should be reduced only to 21^s, it would bring foreign silver nearer to the Mint price & thereby diminish the temptation to export or melt down our silver money, & by the effect of such a regulation reduction, it would better appear then at present, what further reduction would be requisite to bring down foreign silver to the

price of silver in coyn, or which is the same thing, to bring up the price of silver in the Coin to that of forreign silver, & thereby bring forreign silver to the Mint.

If things be let alone till silver money be a little scarcer the gold will fall of it self. For people are already unwilling to give silver for gold & will in a little time refuse to make paym^t in silver without a premium, & 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 & if the Plate were coined there would be no want of silve money: But I reccon that silver is safer from exportation in the form of PLate then in the form of money because of the greater value of the fashion 2 & silver together. And therefore I am not for coining the Plate till the temptation to export the silver money (which is a profit of 2^d or 3^d in the ounce) be taken away. For as often as men are necessitated to send away money for answering debts abroad they will be tempted to send away silver rather then Gold because of the profit which is almost 4 p^r cent. And for the same reason forreigners will send hither their Gold rather then their silver as often as they are necessitated to pay debts here in their own money.

- 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 & from all Europe to East India China & Japan: And that gold is most plentiful in those places in which its value is highest in proportion to silver as in Spain: And that Gold is over valued in England, the Guinea being valued at 21^s 6^d which is 10^d or 12^d above the price which it ought to have by the course of Trade & exchange. // And this seems to me one reason of the plenty of Gold moneys & scarcity of silver moneys in this Island, & why Gold moneys will still increase & silver moneys decrease untill Gold be brought down to the value which it ought to have by the course of Trade & Exchange. For by valuing Gold too high, the value of silver in bullion hath been also raised in proportion so as to be worth 2^d or 3^d per ounce more uncoyned then it is worth in coyn. For the proportion of gold to silver in bullion is settled by the course of trade & exchange so that the one cannot be raised without raising the other nor lowered without lowering the other. The high price of gold in proportion to silver is the same thing with the low price of silver in proportion to gold, & this low price creates a demand of silver for exportation to better markets, & this demand raises the price of exportable silver above the price of silver in coyn. And therefore the high price of gold tends to carry out our silver. And on the contrary: if the value of gold were too low it would tend to carry out gold to better Markets & bring in silver. And if it were the same in proportion to silver which it is in the course of Trade & Exchange it would keep our gold silver

<103v>

Upon the coming in of a plate fleet, the premium ceases or is but small but as their silver goes away & becomes scarce the premium increses & is most commonly about six per cent. Which being abated, a Guinea becomes worth about 20^s 9^d in Spain & Portugal

But silverin bullion exportable is usually worth more then in coyn by 2^d or 3^d per ounce. And of at a medium such bullion fine elven oz **{illeg}** be valued at 5^s 4.^d $\frac{1}{2}$ per ounce, a pound weight of fine gold will be worth but 14^{lb} 11^{oz} 12.^{dwt} 9^{gr} of fine silver in bullion. And at this rate a Guinea is worth but 20^s 8^d. And this I reccon the value thereof according to the course of exchange when forreign silver of standard allay is at 5^s 4.^d $\frac{1}{2}$ per ounce. When ships are lading to the East Indies the demand of silver for exportation may raise the prise to 5^s 6^d or 8^d p^r ounce or above but I considered not those extraordingy cases.

The proportion of Gold to silver in bullion is settled by the Merchant according to the Mercats of Europe & course of exchange & will not be altered by what wee do in England amongst our selves. It will not be altered by lowering the price of the Guinea. The value of forreign Gold in England having been raised too high by raising the value of the Guinea in our silver moneys the way to lower it is to lower the value of the Guinea in our silver moneys, & if this will lower the price of forreign Gold in proportion to our silver moneys it will also lower the price of forreign silver in proportion to our silver moneys & bring it nearer to the price of silver in the Mint For the proportional value of forreign Gold to forreign silver is settled by the trade & course of exchange between nation & nation & will not be altered by what we do amonst o^{er} selves - [And by

bringing the price of forreign silver nearer to the price of silver in o^{er} coyn,] in England alone. And what I here call the lowering the value of the Guinea is more truly the raising the prise of our silver money in propor so that 20^s & 6^d or 8^d in such money may be amongst our selves as well as abroad of the same value with a Guinea & by consequence worth so much forreign silver as in the course of Trade & Exchnage is equal in value to a Guinea.

So then by the course of Trade & Exchange beween nation & nation in all Europe fine Gold is to fine silver as $14\frac{4}{5}$ or 15 to one & a Guinea at the same rate is worth between 20^s 5^d & 20^s $8\frac{1}{2}$ ^d, except in the extraordinary cases when a plate fleet is just arrived in Spain or ships are lading for the East Indi{es} which cares I do not here consider. And silver goes to those places where gold is of the lowest value in proportion to silver.

The Guinea having been raised to 21^s 6^d which is 10^d or 12^d too much, & thereby the value of forreign Gold being raised as much in proportion to silver moneys in England, the way to lower the values of forreign Gold in proportion to these monies is to lower the price of a Guinea. And if this will lower the price of forreign Gold in proportion to our silver moneys it will also lower the price of forreign silver in proportion to the same moneys, & it nearer to the price of silver in the Mint

<107r>

To the Right Honorable the Lords Commesissioners of his Majesties Treasury.

May it please yo^{er} Lordships

In obedience to yo^{er} Lordships Order of Reference of Aug. 12, 1717, that I should lay before your Lordships a state of the Gold & Silver Coyns of this kingdom in weight & finess & the value of gold in proportion to silver with my observations & opinion, & what method may be most effectual for preventing the melting down or exporting the silve coin: I humbly represent to yo^{er} Lordships that a pound weight Troy of Gold eleven ounces fine & one ounce allay is cut into $44\frac{1}{2}$ Guineas, & a pound weight of Silver, eleven ounces two penny weight fine & 18 penny weight allay is cut into 62 shillings & according to this rate a pound weight of fine gold is worth fifteen pounds weight six ounces seventeen penny weight & weight & five grains of fine silver, reconning a Guinea at 1[£] 1^s 6^d in silver money. † < insertion from p 108 > † But silver in Bullion is usually worth 2^d or 3^d per ounce more then in coyn And if at a medium such bullion of standard allay be valued at 5^s $4\frac{1}{2}$ ^d p^r ounce, a pound weight of fine gold will be worth but 14^{£wt} 11^{oz} 12^{dwt} 9^{gr} of fine silver in bullion. And at this rate a Guinea is worth but so much silver as would make 20^s. 8^d. When ships are lading for the East-Indies the demand of silver for exportation raises the price to 5^s 6^d or 5^s 8^d p^r ounce or above but I consider not those extraordinary cases. < text from f 107r resumes >

A Spanish Pistole was coyned for 32 Reaus or four pieces of eight Reaus usually called Pieces of eight & is of equal allay & the sixteenth part of the weight thereof. And a Doppia Moeda of Portugal was coined for ten Crusados of silver, & is of equal allay, & the sixteenth part of the weight thereof. Gold is therefore in Spain & Portugal of sixteen times more value the silver of Equal weight & allay according to their standard. At which rate a Guinea is worth 22.^s 1^d. But this high price keeps their gold at home & carries away their silver into all Europe, so that at home they make their payments in gold, & will not pay in silver without a ☉ premium < insertion from p 108 > ☉ a premium. Upon the coming in of a Plate Fleet the Premium ceases or is but small, but as their silver goes away & becomes scarce the premium increases & is most commonly about six per cent. Which being abated a Guinea becomes worth about 20^s 9^d in Spain & Portugal. < text from f 107r resumes >

In France a pound weight of fine gold is reckoned worth fifteen pounds weight of fine silver. In raising & falling their money the Kings 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 four new Lewises & is of equal allay & the fifteenth 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 $20^s 8^d \frac{1}{2}$. □ < insertion from the top of f 108r > □ I consider not here the confusion made in the Moneys in France by frequent Edicts to send them to the Mint & give the king a Tax out of them. I consider only the value of hold & silver in proportion to one another. < text from f 107r resumes >

‡ < insertion from the top of p 108 > ‡ The Ducats of Holland Hungary & the Empire, were lately current in Holland among the common people in their Markets & ordinary affairs at five Guilders in specie & five Styvers & commonly changed for so much silver money in three Guilder pieces & Guilder pieces as Guineas are changed with us for $21^s 6^d$. sterling. At which rate a Guinea is worth $20^s 7^d \frac{1}{2}$. < text from f 107r resumes >

According to the rates of Gold to Silver in Italy, Germany, Poland, Denmark & Sweden a Guinea is worth about 20^s & 7^d , 6^d , 5^d or 4^d . For the proportion varies a little in the several governments within those countries. ‡ < insertion from the middle of f 108r > ‡ In Swedeland Gold is lowest in proportion to silver & this has made that kingdom which formerly was content with Copper money about of late of with silver sent thither (I suspect) for naval stores. < text from f 107r resumes >

In the end of King William's reign & the first year of the late Queen's when foreign coyns abounded in England, I caused a great many of them to be assayed in the Mint & found by the assays that fine gold was to fine silver in Spain, Portugal, France, Holland, Italy, Germany & the northern kingdoms in the proportions above mentioned, the errors of the Mints excepted.

In China & Japan one pound weight of fine gold is worth but nine or {ten} pounds weight of fine silver. & in East India it is worse about twelve. And this low price of Gold in proportion to silver carries the silver {away} from all Europe, & when ships are lading for the East Indies raises the price of Silver in bullion to 2^d 3^d or 4^d per {ounce } above the ordinary price as often as {ships are la}ding for the east Indies.

[Editorial Note 1]

< insertion from the middle of p 108 > ¶ It is the demand for exportation which hath raised the price of exportable silver about 2^d or 3^d in the ounce above that of silver in coyn, & hath thereby created a temptation to export or melt down the silver coyn rather then give 2^d or 3^d more for foreign silver. And the demand for exportation arises from the higher value of silver in other places then in England in proportion to Gold, that is, from the higher value of Gold in England then in other places in proportion to silver, & therefore may be diminished by lowering the value of Gold in proportion to silver. If Gold could be brought down so low in England or silver in East India as to beare the same proportion to one another in both places, there would be not greater demand for silver then for gold to be exported to India And if gold were brought down to have the same proportion to the silver money in England which it hath to it in the rest of Europe, there would be no temptation to export silver rather then Gold to any other part of Europe. And to compas this last there seems nothing more requisite then to take off about 10^d or 12^d from the price of the Guinea. But if only 6^d were taken off at present, it would diminish the temptation to export or melt down the silver coyn, & the effect would shew hereafter better then can appear at present, what further reduction would be most convenient for the publick. Memorial about the high value of Gold < text from f 107r resumes >

<107v>

Those that import gold represent that their profit is but small & if by lowering the price that profit be taken away there will be neither gold nor silver imported. But must the nation pay 38 or 40 shillings too much for every pound weight of gold imported. Must all our silver be exported to enrich the Merchant? And is there no remedy?

In the last year of king William the Dollars of Scotland worth about four shillings & six pence half penny, were put away in the north of England for 5^s, & at this price began to flow in upon us. I gave notice thereof to the Lords Commissioners of the Treasury And they ordered the Receivers of Taxes to forbear taking them at that value & thereby put a stop to the mischief.

At the same time the Lewidor's of France which were worth but seventeen shillings & three farthings a piece, passed in England at 17^s 6^d. I gave notice thereof to the Commissioners of the Treasury, & his late Majesty put out a Proclamation that they should go but at 17^s, & thereupon they came to the Mint, & a Million & four hundred thousand pounds was coyned out of them. And if the advantage of five pence farthing in a Lewidor sufficed at that time to bring into England so great a quantity of French money, & the advantage of three farthings in a Lewidor to bring it to the Mint: the advantage of 9½^d or above may have been sufficient to bring in the great quantity of gold which has been coined in these last 16 years without any forreign silver.

Some years ago, the Portugal Moyders were received in the we{st} of England at 28^s a piece. Upon notice from the Mint that they were worth only about 27^s & 7^d, the Lords Commissioners of the Treasury ordered their Receivers of Taxes to take them at no more then 27^s 6^d. Afterwards many Gentlemen in the west sent up to the Treasury a Petition that the Receivers might take them again at 28^s & promised to get Returns for this money at that rate, alledging that when they went at 28^s their country was full of gold which they wanted very much. But the Commissioners of the Treasury considering that at 28^s the nation would lose 5^d a piece, rejected their petition. And if an advantage to the Mercha{nt} of 5^d in 28^s did power that money in upon us: much more hath an advantage to the Merchant of 9½^d or 10^d in a Guinea been able to bring to the Mint great quantities of gold without any forreign silver, & may be able to do it toll the cause be removed.

△ < insertion from the bottom of p 108 > △ 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, & will in a little time refuse to make payments in silver without a premium, & 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 moneys.

It may be said that there are great quantities of silver in plate, & if the Plate were coyned there would be no want of silver money. But I reckon that silver is safer from exportation in the form of Plate then in the form of money because of the great value of the silver & fashion together. And therefore I am not for coyning the Plate till the temptation to export the silver money (which is a profit of 2^d or 3^d in the ounce) be taken away. For as often as men are necessitated to send away money for answering debts abroad they will be tempted to send away silver rather then gold because of the profit which is almost four per cent. And for the same reason forreigns will send hither their gold rather then their silver.

All which < text from f 107v resumes > All which is most humbly submitted to yo^{er} Lordships great Wisdome.

Mint Office.

Isaac N{ewton} 21 Sept. 1717.

<109r>

To the Right Honorable the Lords Commissioners of his Majesties Treasury.

May it please yo^{er} Lordships

In obedience to yo^{er} Lordships Order of Reference of Aug. 12th, 1717 that I should lay before yo^{er} Lordships a state of the Gold & silver Coyns of this Kingdom in weight & fineness & the value of gold in proportion to silver with my observations & opinion & what method may be best for preventing the melting down of the silver coyn: I humbly represent that a pound weight Troy of gold eleven ounces fine & one ounce allay is cut into $44\frac{1}{2}$ Guineas, & a pound weight of silver eleven ounces two penny weight fine & eighteen penny weight allay is cut into 62 shillings & according to this rate a pound weight of fine gold is worth fifteen pounds weight, six ounces, seventeen penny weight, & five grains of fine silver, reckon a guinea at $1^{\text{£}} 1^{\text{s}} 6^{\text{d}}$ in silver money. But silver in bullion exportable us usually worth 2^{d} or 3^{d} per ounce more then in coyn. Add it at a medium such bullion of standard allay be valued at $5^{\text{s}} 4^{\text{d}}\frac{1}{2}$ per ounce, a pound weight of fine gold will be worth byt $14^{\text{£wt.}} 11^{\text{oz}} 12^{\text{dwt}} 9^{\text{gr}}$ of fine silver in bullion. And at this rate a Guinea is worth but so much silver as would make $20^{\text{s}} 8^{\text{d}}$. When ships are lading for the east Indies the demand of silver for exportation raises the price to 5^{s} & 6^{d} or 8^{d} per ounce or above: but I consider not those extraordinary cases.

A Spanish Pistole was coyned for 32 Reaus or four pieces of eight Reaus usually called pieces of eight, & is of equal allay & the sixteenth part of the weight thereof. And a Doppio Moeda of Portugal was coyned for ten Crusados of silver & is of equal allay & the sixteenth part of the weight thereof. Gold is therefore in Spain & Portugal of sixteen times more value then Silver of equal weight & allay according to the standards of those kingdoms. At which rate a Guinea is worth $22^{\text{s}} 1^{\text{d}}$. But this high price keep their gold at home & carries away their silver into all Europe, so that at home they make their payments in Gold & will not pay in silver without a premium Upon the coming in of a Plate fleet, the Premium ceases, or is but small, but as their silver goes away & becomes scarce the premium increases & is most commonly about six per cent. Which being abated a Guinea becomes worth about 20^{s} & 9^{d} in Spain & Portugal.

In France a pound weight of fine gold is reckoned worth fifteen pounds weight of fine silver. In raising & falling their money, their Kings 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 four new Lewises & is of equal allay & the fifteenth part of the weight thereof except the errors of their Mints. And by the same Edict fine Gold is valued at fifteen times its weight of fine Silver. And at this rate a Guinea is worth $20^{\text{s}} 8^{\text{d}}\frac{1}{2}$.

The Ducats of Holland Hungary & the Empire were lately current in Holland among the people at five Guilder pieces & five Styvers & changed by them for that summ. At which rate a Guinea is worth $20^{\text{s}} 7^{\text{d}}\frac{1}{2}$.

According to the rates of gold to silver in Italy, Germany, Poland, Denmark & Sweden a Guinea is worth about 20^{s} & 7^{d} , 6^{d} , 6^{d} , 4^{d} or 3^{d} . For the proportion <109v> varies a little in the several governments within those countries.

In the end of king William's reign & the first year of the late Queens when foreign coyns abounded in England, I caused a great many of them to be assayed in the Mint, & found by the assays that fine gold was to fine silver in Spain, Portugal, France, Holland, Italy, Germany & the northern Kingdoms in the proportions above mentioned, errors of the Mints excepted.

In China & Japan one pound weight of fine gold is worth but nine or ten pounds weight of fine silver, & in East India it may be worth about twelve. And this lowe price of gold in proportion to Silver, carries away the silver from all Europe.

So then by the course of Trade & Exchange between nation & nation in all Europe, fine gold is to fine silver as $14\frac{4}{5}$ or 15 to one, & a Guinea at the same rate is worth between $20^{\text{s}} 5^{\text{d}}$ & $20^{\text{s}} 8^{\text{d}}\frac{1}{2}$, except in extraordinary cases, as when a plate Fleet is just arrived in Spain or ships are lading for the East Indies, which cases I do not here consider.

The Guinea having been raised to 21^s 6^d, which is 10^d or 12^d above the value abroad, & thereby the value of forreign Gold being raised as much in proportion to the silver moneys in England, the way to lower the value of forreign Gold in proportion to these moneys, is to lower the price of a Guinea in proportion to the same moneys. And if this will lower the price of forreign Gold in proportion to these moneys it will also lower the price of forreign silver in proportion to the same moneys, & bring it nearer to the price of silver in the Coyne. For the proportional value of forreign gold to forreign silver is settled by the trade & course of Exchange between nation & nation, & will not be altered by what we do amongst our selves in England alone. And what I here call the lowering the value of the Guinea is more truly the raising the value of our silver money amongst our selves, so that 20^s 6^d or 20^s 8^d in such money may be amongst our selves as well as abroad, of the same value with a Guinea & by consequence with so much forreign silver as in the course of Trade & Exchange is equal in value to a Guinea. For Gold is now become our standard money & silver is a commodity which rises & falls here in its price, as it does in Spain.

If a pound weight of standard silver should be cut into 3[£] 4^s 6^d, it would make an ounce of silver moneys worth 5^s 4^½^d, & by consequence equal in value to an ounce of forreign silver, & thereby take away the temptation to export or melt down the silver moneys without hurting any body but those who want it for melting or exportation. But there is no need of altering the standard. The same thing may be done by bringing the value of the Guinea nearer to the standard. For by the standard of England settled by the Indenture of the Mint under the broad Seal, a Guinea is coyned for 20^s & in the Mint is still called a twenty shillings piece. It was gradually raised by the Goldsmith's selling Guineas for 2^d a piece more then their current value to Gentlemen who wanted them upon journeys for lightness of carriage. It was private interest without regard to the publick which at first raised the price of Guineas too high & were it not for private interest there would be no great difficulty in bringing them down to the price which they should have by the course of Trade & Exchange. This price I have reconned at 20^s & 6^d or 8^d. But if at present the Guinea should be reduced only to 21^s, it would bring forreign silver nearer to the same value with silver in coin & thereby diminish the temptation to export or melt down our silver money. And by such a reduction it would appear better hereafter then at present, what further reduction would be requisite to bring down forreign silver to the same value with silver in coyn, [& thereby to bring some forreign silver to the Mint & make it as cheap to export or melt down forreign silver as to export or melt down the silver coyn.]

[Editorial Note 1] Amongst the list of carefully marked additions to this page and the next found on folio 108r there is one whose marker does not return in the main text. Since the bottom left corner of this page is torn, it most likely belongs here, replacing the large, deleted paragraph that follows.
