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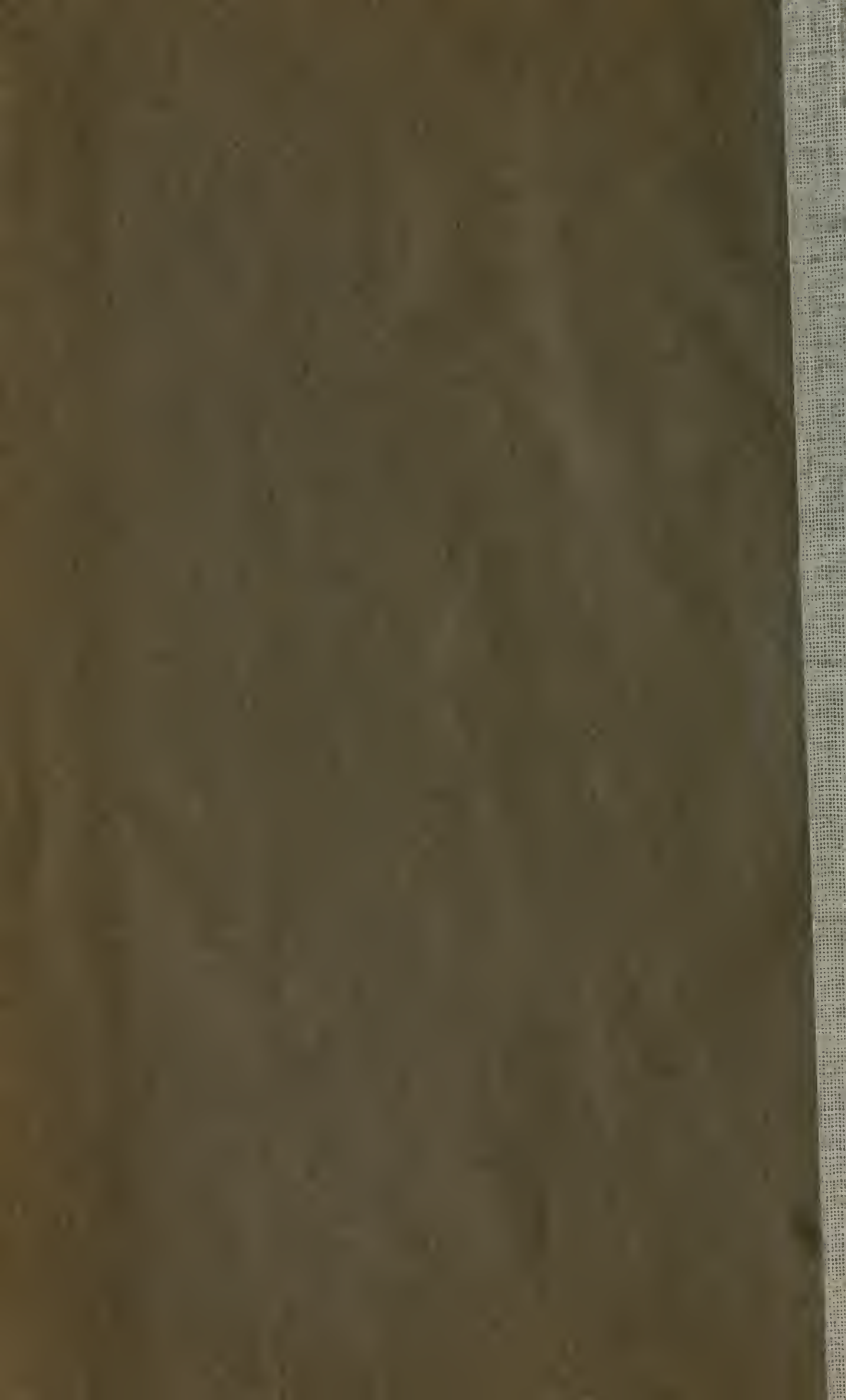
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A PLAN

FOR REALIZING

THE

PERFECTION OF MONEY;

IN WHICH

IT IS DEMONSTRATED,

THAT

“PAPER IS CAPABLE OF BEING MADE, A MUCH MORE PERFECT, TRUE,  
AND UNVARYING STANDARD OF VALUE, THAN IT IS POSSIBLE  
THAT EITHER GOLD OR SILVER CAN BE.”

Addressed

TO THE RIGHT HON. EARL GREY,

BY

CHARLES JONES.



RIDGWAY, PICCADILLY, LONDON;  
BARLOW, BIRMINGHAM.

M.DCCC.XXXII.



TO THE RIGHT HON. EARL GREY, K. G.

FIRST LORD OF THE TREASURY, &c. &c.

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MY LORD,

BEFORE your Lordship determines on the measures to be adopted with regard to the renewal, or otherwise dealing with the Charter of the Bank of England; I respectfully request your Lordship to do me the honour of perusing the pages of this small Pamphlet; emanating, it is true, from the pen of a very humble individual, but containing, as he believes, matter worthy of your Lordship's profound consideration.

Your Lordship's predecessors in office have so crippled the energies and deranged the order and functions of the State, that it has become impossible to rectify their errors, and remove the mischiefs which have resulted from those errors, except by effecting great changes in the system of Government; this you have nobly begun by passing the Bill for reforming the House of Commons: that bill will, I trust, either in its present, or, in an immediately amended state, enable your Lordship to effect all that remains wanting to be done.

The glory of restoring England to its proper state of peace, order, prosperity and power, is now offered to your Lordship; and by your success or failure in this transcendently important undertaking, will your character as a statesman, and the durability of your power, be determined.

That your power may terminate only with your life, and that the glory of your name may transcend that of all other statesmen, is the ardent wish of,

My Lord.

Your Lordship's humble Servant,

CHARLES JONES.

*Birmingham, Nov. 1832*

## A PLAN, & c.

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I.—In the primitive state of man, his simple commerce was carried on by direct barter.

II.—The inconvenience, the labour, and the privations attendant upon that system, would soon teach him the advantage of adopting some “*medium of exchange*,” some common representative of things of value.

III.—In this first stage of advancement towards civilization, before men had accumulated things of value about them, indeed before they had acquired a permanent local habitation; it was natural that they should seek for something to constitute this medium of exchange, which would require *as much labour to obtain it*, as the thing does for which it is given; exchanging in fact, *one intrinsic value for another*; and thus we are led, at the outset, to see that it is **LABOUR** which is the *true*, and indeed, the *only true measure* of value.

IV. In this state of society, when men were divided into small communities, a variety of substances would be adopted as money, according to the convenience of each little community; in most cases, it would no doubt, be something of general use

among them; thus, we know, that some nations have adopted **SALT**, as their money.

V. But any article of general consumption, to be used as money, would soon be found to be attended with great inconveniences; being, for the most part, *bulky*, and of a *perishable* nature. These practical difficulties, would push men on another step in civilization; and they would look out for a money, at least, not subject to the inconveniences they had already experienced; and especially, they would seek one that was portable, so that a large amount might be represented in a small compass: and again, it would be required to be so divisible, that they might have parts small enough, to represent their smallest transactions; and lastly, it would be very important that it should be something *permanent*,—something which would not readily deteriorate by decay. These three qualities, viz.—*portability*, *divisibility*, and *durability*, would be seen, to be essentially necessary to a good medium of exchange, such as is here contemplated; but these qualities would not be found combined, in any article of general consumption; hence, man would be forced upon the resources of his own mind, to discover something which would answer the purpose; and we know, that some nations, hit upon the expedient of adopting **SEA SHELLS** for their money; choosing such as were *rare*, and of a *small size*: and here, be it observed, we see exhibited a good deal of philosophy, and the establishment of a really excellent kind of a money; a money, based upon exactly the same principle, as gold and silver money is, and one really better suited to the state of society when it was adopted, than gold and silver is now to ours!

VI. But, although this was a really excellent money for the community which had adopted it, it would be held in no estimation by those who had adopted a different kind; and thus, as the *mind*, and *wants*, and *intercourse* of man extended, new difficulties would present themselves, and new schemes be devised for surmounting them; and, in process of time, when the nature

and qualities of the metals became understood, GOLD and SILVER would naturally present themselves to the mind as *admirably adapted* for the uses of money ; and that more especially, as, from their beauty, they must have soon acquired an *independent value* as articles of merchandise ; and, in this natural way, they became the general media of exchange ; and thus was established what we may very well call a *universal money* ! This universal money was, unquestionably, at that period of the world, the most powerful agent of its civilization and wealth, that had then ever emanated from the mind of man ! It was to commerce what a universal language would now be to science, and seems, as it were, the natural forerunner to prepare the way for the accomplishment of that great desideratum !

VII. But vast as even this improvement in money was, it was still, in some respects, very imperfect. For example,—if a man undertook a commercial enterprize to a distant country, for the purpose of purchasing the commodities of that country, he must convert his property into money, which money he must take away from his own country, and thereby causing a scarcity of it there, and a corresponding begree of embarrassment among people having debts to pay : moreover, he must encounter the trouble, the anxiety, the expense, and the risk of transmitting this money to a distant country ; this operation, too, would sometimes be attended by total or partial loss, by robbery, shipwreck, &c. These were great obstacles, and weighty considerations against undertaking such enterprizes ; and thus the commerce of the world would be much more limited and restricted than it otherwise need be.

VIII. The pressure of these difficulties constantly operating on the fertile mind of man, led him, in process of time, to the discovery of a remedy for so great an evil ; which, at length, he triumphantly accomplished, by introducing *credit* into *commerce*—

setting aside *gold and silver*, and substituting in their stead,  
 “THE BILL OF EXCHANGE.”

IX. This Bill of Exchange, the establishing of which, doubtless, took hundreds of years to accomplish, is now become the main instrument of adjusting, not only the *foreign* commerce of States, but their *internal trade* also! and by its vast instrumentality the interchanges of wealth among men have been multiplied A THOUSAND-FOLD!

X. But this simple instrument has still further benefits in store for mankind, and especially for this nation, entangled as the country is in the intricate mazes of pecuniary difficulties; for, the bill of exchange, not only points out to us the way of escaping from all these difficulties, but, at the same time, and by the same means, of accomplishing “THE PERFECTION OF MONEY!” and that, by our simply discontinuing the use of *gold money*—and, indeed, of silver money also, excepting for the fractional parts of the integer, or pound sterling; and of adopting, exclusively, *paper* in their stead!

XI. The practical use of the bill of exchange has now, for hundreds of years, proved, that all the *great transactions* of commerce can be adjusted without the use of gold or silver money; excepting indeed for the occasional payment of trifling balances between nations—and in which cases, gold or silver would be just as efficient in the shape of *bullion*, as they are in that of *money*; and that, too, without the disadvantage of *disturbing the measure of value* in the nation having to pay. But, though all the *great transactions* of commerce are *actually* adjusted without the use of gold or silver money, the world appears to *suppose* that, *somehow or other*, the *small transactions* cannot be so adjusted! I will not stop to shew the fallacy of this, but proceed at once to prove, that PAPER is capable of

*being made a much more* PERFECT, TRUE, AND UNVARYING STANDARD OF VALUE, *than it is possible that either* GOLD or SILVER *can be*; and that, therefore, it is greatly superior to gold or silver, for the uses of money!

XII This proposition may startle the prejudiced, and perhaps surprise the unreflecting; but there is, I am satisfied, no rational doubt of the truth of it; for my own part, the thing is so clear, that I think it impossible to conceal the matter much longer, from the eyes of any man; but that, within the next *fifty years*, all men will see it, and, that *paper* will become the universal money of the civilized world.

XIII. The monetary system of Europe, like the feudal system of Government, under which it was adopted, and to which it was well enough suited, *is worn out*; it is no longer suited to the genius or the habits of mankind, and it is incompetent to effect his present purposes and wants. This great truth is, at this moment, and has been for the last fifteen years, proclaimed throughout all the world! All nations are suffering under the pressure of pecuniary difficulties; and their difficulties are almost *exclusively* pecuniary! The simple proof of this important fact, lies in the *acknowledged* ability of all nations, to produce much greater quantities of all the good things which conduce to, and indeed constitute, the comfort, and enjoyment, and happiness of life, than they ever could do at any former period! and yet there is hardly a nation upon the earth, which is not in a state of distress! How is it then, that amidst all this general profusion of wealth, there is almost universal distress among its producers? This is the answer;—

XIV. The governments of Europe, and especially that of England, a great many years ago, adopted an extended, but crude and indigested system of paper money, to enable them to accom-

plish things, which they were unable to accomplish under the old restricted system of gold and silver money.

XV. During the operation of this extend<sup>ed</sup> system, (*if indeed any thing so indefinite may be called a system,*) the value of money was depreciated *fifty per cent.*, and the *calculations, pursuits,* and *habits* of all men, were greatly changed; and vast masses of permanent debts, both national and *individual*, were every where contracted; and thus, society was placed upon a new basis. But after the lapse of a quarter of a century, in order to rectify the irregularities of the monetary system, it was most unwisely, and most unfortunately proposed, to *break up* the existing *basis*, and the *calculations,* and *pursuits,* and *habits* of society, and to *cause all things to retrograde*, except DEBT! but this, it was proposed to *advance* "CENT PER CENT!" by converting all the paper obligations in existence, into *debts of solid gold, at the old standard of value!* *This retrograding scheme,* (when all that was wanted, was, simply to adjust the value of money to the actual state and condition of society), is, to be sure, a most *extraordinary, unparalleled,* and *impracticable* undertaking. Let it be observed, that the debts contracted, were easily enough sustained, through the means which the system afforded, under which they *were* contracted; indeed, to deny this, would be to *acknowledge* the extreme folly, of adding to the pressure of those debts! And I here confidently assert, that, this increased pressure, *must* be removed, or, that the foundations of society must be broken up, the ownership of all property must be set aside, and we must begin again, *de novo!*

XVI. Now the effect of depreciating money, fifty per cent, was the doubling of the prices of commodities; *for any given range of the prices of commodities, is the result of the proportion, which the quantity of money in actual circulation bears to the quantity of goods in transitu.* Therefore, the effect of the reduc-

tion of the circulating medium, necessary to the re-establishment of the old standard of value, is such, as to reduce the prices of commodities, below the range of *the fixed charges of production*, bearing down the wages of the labourer, on the one hand, and annihilating the profits of capital on the other; and causing universal distress among the producers of wealth! a class, which above all others, ought never to know distress.

XVII. The attempt to re-establish the old standard of value, was begun in the year 1815; and although the force of necessity has twice compelled the authors of it, to desist from the pursuit of their object, yet, they have most unaccountably renewed that pursuit, *again and again!* Notwithstanding, it is manifest to great numbers, that it is pursuing an *ignis-fatuus*, which will lead to the destruction of the present frame of society.

XVIII. We are now for the the *third*, and I think for the *last* time, forced to the verge of the frightful abyss of national convulsion: but, there are now, thousands upon thousands of men in England, who clearly perceive the cause of the danger; and who are earnestly exerting themselves, to avert the impending ruin: and, indeed, there is a general coincidence of opinion, even among those who do not yet understand the cause of the evils which they are suffering, that, "*we are on the eve of some great change;*" and it is undoubtedly true that we are. It, therefore, behoves us to consider well, what that change shall be? It is truly a ~~monetary~~ question! A question of no less a magnitude, than, whether this, the mightiest nation that has ever existed, shall continue to increase in power and true greatness, at the head and to the advantage of the civilized world; whether its venerable, and glorious institutions of *a thousand years*, which have been the solid foundations of its power, shall be *perfected and perpetuated*; or, whether they shall be broken to atoms, and utterly destroyed, by the *barbarous hand* of ignorance and misrule?

XIX. That the evil is of a monetary nature, is clearly established; and if it is intended to preserve the present fabric of society, the remedy must be monetary also! In paragraph the 13th, I have said, "The monetary system of Europe, like the feudal system under which it was established, *is worn out*; that it is no longer suitable to the condition or wants of man;"—or, to speak more correctly, that, that condition, and those wants, have out-grown its powers! It is therefore an imperious duty of the Legislature, to enquire into this matter; and if it be found to be as it is here stated, to set it aside, and to establish in its stead, a system *which is* suitable to that *condition*, and to those *wants*; and to this end, I propose, to abolish the GOLD, and to make PAPER *the standard of value*.

XX. In paragraph the 11th, I have said, "I am ready to prove, that Paper is capable of being made, a much more perfect, true, and unvarying standard of value, than it is possible that, either gold or silver can be:" this, then, is the all-important matter to look to; for upon the establishing of this point, depends the assumed paramount superiority of the proposed system. Although, if it were shewn, that paper may be made only *as good a standard*, as either gold or silver, the case would still be sufficiently established; for I presume it must be granted, that, if a thing of *so little* intrinsic value as *Paper*, can be made *as good* a standard of value, as the *costly* thing called *Gold* is; the wisdom of *abolishing* the *gold standard*, and of *adopting* the *Paper one*, will be irrefragably established!

XXI. Now there is no doubt, but, that at any given time, a given quantity of paper money, may as truly represent a given quantity of property, as any other money can; that is to say, the paper money in question, has at a given time, a *definite* value; (witness the bank note, at the present moment,) now, in order that it may permanently retain that value, it is only necessary,

that its issues be properly regulated; and to this end I propose, to establish a "NATIONAL BANK," under the direction of a board of control, answerable to parliament; the profits of which, shall be paid into the national exchequer, and that this bank *alone* shall have the power of issuing paper money. And, in order that its notes may really represent *bona fide* property, I propose, to put it in possession of so much of the national property, as shall be equivalent to the *whole amount* of its issues. And to shew that we have property, that we can conveniently so apply, I name at once, the national property called, "CROWN LANDS," and also, certain portions of that other national property called "CHURCH "LANDS." I presume that so much of this property, as will produce a rental of *two millions* a year, will be amply sufficient for the purpose. And thus, we lay an immoveable foundation for our National Bank; with a credit, *superior* to that of the MINES OF PERU!

XXII. The Country Banks may remain as they are, carrying on their business through the medium of the national notes; or, which I should prefer, they may be made the sub-agents of the National Bank; each of them taking a certain share of the profits, according to the amount of the business, they respectively transact: I prefer this latter arrangement, because, in that case, the Country Banks would become part and parcel of the scheme, and be immediately subject to the National Board of Controul.

XXIII. The next consideration is, the mode of issuing the Notes of this Bank; and this I propose to do as follows, viz.—*First*, in paying off the debt due to the present Bank of England.—*Secoudly*, in the purchasing and cancelling of National Debt, (at a price fixed by law.) And *Thirdly*, in the discounting of mercantile bills.—Thus issuing in all, say, fifty millions sterling:—these fifty millions, (*which I presume will be about the proper quantity, to give a just remunerating price*

to the producers of all kinds of commodities,) to be legal tenders. The Gold standard to be abolished, and the circulation of all other *Cash Notes* forbidden! To complete the system, we shall require silver to be a legal tender, to the amount of nineteen shillings and six-pence, and copper, to five-pence three farthings; as it would not be worth while to alter these parts, farther than to render them in conformity with the rest; and therefore, to make our silver harmonize with our proposed plan, I calculate, that it will be necessary to coin it at the rate of seven shillings and six-pence an ounce; or the pound Troy, into ninety shillings. Observe, this coining of silver, at seven shillings and six-pence an ounce, is not a necessary condition, for the establishing of a National Bank; it is necessary only, that it may agree with the proposed range of remunerating prices, which it is calculated, would be the result of having fifty millions of legal tenders in circulation.

XXIV. It is now our business to establish our main position; viz.—That *paper* may be made an *unvarying* standard of value; this is the *soul* of the whole proposition, and ought to determine the question of its adoption or rejection; presuming then, that our new paper money is established in general circulation, our first business will be, to ascertain its relative value, compared with commodities; and for this purpose, I take *Twenty of the greatest staples of the country; viz.—WHEAT, MALT, MEAT, TALLOW, TEA, (the China trade being thrown open,) SUGAR, COFFEE, RICE, LEATHER, TIMBER, WOOL, HEMP, COTTON, SILK, IRON, COPPER, LEAD, TIN, SILVER and GOLD;* and ascertain their respective prices. In this way we shall see, that a LOAD OF WHEAT is worth a *given quantity of the money* in circulation; or, in other words, for these are convertible terms, that *so much of this money,* is worth a LOAD OF WHEAT; and so on, to the end of the list; by these means, we should in a *very short time,* ascertain the *true value* of our new money; and all that remains to be done, when it is once properly adjusted, is, to regulate it, so that it shall not vary from that value.

XXV. To effect this, I would have a return of the prices of all the afore-named articles made weekly, to the Board of Controul, from the fifty largest towns in England, Ireland, and Scotland. Thus it would be immediately perceived if there was any variation in these prices. I would also have notes accompany these weekly returns, whenever any variation did occur, as to whether there was anything unusual, either in the supply of, or in the demand for, such articles as had varied in price. I would also have a weekly return, from every bank in the kingdom of the amount of notes each has in circulation; so that the exact amount of the circulating medium may be known, and the Board of Controul enabled at all times to compare the prices of commodities with the amount of money in circulation. I would further have these returns published weekly in the London Gazette.

XXVI. The practical use to be made of the above information, is this:—if the prices of the great staples appear to be falling, the bank should immediately buy up and cancel a given quantity more of the national debt; and thereby put an *additional* quantity of money into circulation: on the other hand, if prices appear to be rising, the bank would, in that case, lessen its discounts a little; and thereby *diminish* the quantity of money in circulation: and thus, either way, easily rectify any slight variation which may have taken place, and that even without the world knowing that any such variation has occurred; and in this manner *most* accurately maintain the established value of money.

XXVII. If any given article in the list of staples were operated upon by any cause, either local or general, so as to be made to rise or fall independently of the rest, that article should be struck out of the list, so long as it should continue to be so operated upon.

XXVIII.—By these easy and simple means, I think, it must

be manifest to all who are competent to judge of such a subject, that the value of this money may be maintained with an exactitude which it is utterly impossible to attain with money composed of the precious metals; and the reasons of this superiority are obvious;—in the first case, the supply and regulation of our money are entirely dependent upon our own judgment and discretion; but, in the second, they are, in some essential points, above our controul; being dependent, to a great extent, upon the supply of the metals from the mines; also upon the extent, success or failure of certain commercial transactions; but much more than either, upon the *wars* and the pecuniary transactions of foreign nations. There are many other disturbing causes, but we have here amply sufficient to prove our case.

XXIX. In paragraph the 24th, I have shewn that the value of commodities in money, and the value of money in commodities are convertible terms; if, therefore, this single postulum be granted to me, viz., *that increasing the circulating medium causes the prices of commodities to rise, and that decreasing it causes them to fall*, then I have demonstrated that which I undertook to do, viz.—*that PAPER is capable of being made a much more PERFECT, TRUE, and UNVARYING standard of value, than it is possible that either GOLD or SILVER can be*: And that, therefore, as was hypothetically observed in paragraph the 20th, *the wisdom of abolishing the GOLD STANDARD, and of adopting the PAPER ONE*, is irrefragably established!

XXX. It is now proper to remark, that the adoption of the proposed new standard of value, does not necessarily involve a departure from the *value* of the old standard: for, although I have given it as my decided opinion that the preservation of the existing frame of society, requires the removal of the pressure of the present standard; yet, this is a matter entirely for the consideration of Parliament. That the proposition for establishing a perfect measure of value, stands quite independent

of all considerations of the present necessities of the nation : (*although it is certainly true that those necessities are the real parent of the proposition*), and although I think it *indispensably* necessary to alter the standard, in order to restore the nation to its wonted prosperity and strength ; yet, if the legislature should think otherwise, it will be perfectly easy to adapt the *new standard* to the *old value* of money ;—that is to say, instead of issuing fifty millions of legal tenders, thirty millions only may be issued ; and instead of coining silver at seven shillings and sixpence an ounce, the silver coinage may be maintained as it now stands.

XXXI. I beg further to remark, that, in proposing to make the *Crown Lands* and certain portions of the superfluous *Church Lands*, the capital stock of the National Bank, I do not contemplate the necessity of setting aside any existing vested interest.—It will be sufficient that the Parliament enact, that the crown property, as it now stands, shall be conveyed to, and permanently vested in, the trustees of the National Bank ; and, that the estates of certain *Bishopricks, Deaneries, Colleges, Collegiate-churches, &c.*, shall likewise be so vested, as fast as the present incumbents die off ; and that the successors of the present Bishops, Deans and Chapters, &c., &c., be paid a suitable stipend, out of the revenues of the said Bank. *To this, if the Church be wise, it will give its most cordial assent!*

XXXII. In conclusion, I think it not improper, to enumerate a few of the most obvious advantages, which would immediately result, from the adoption of the proposed system. To say nothing of the *paramount* importance, of restoring the nation to a state of *solid prosperity* ; or, of the vast advantage of establishing a *perfect measure of value* ; which moreover shall render us, so far as money is concerned, entirely independent of the affairs of all other nations ; I say, to say nothing of these paramount matters, the system would enable us at once, to effect savings

and profits to a very great amount:—*First*, it would enable us to save the interest, and wear and tear, of maintaining, say, twenty-five millions of gold currency, this, I estimate at about £1,500,000 a year; *secondly*, the interest of fifty millions of debt cancelled, this I call £2,000,000, more; *thirdly*, I estimate the profits of the National Bank, at not less than £1,500,000. more; and *fourthly*, there would be paid into the Exchequer, *at least*, £500,000, more of the rents and profits of Crown Lands, which now, never find their way there. Here, then, we have a total of £5,500,000, per annum; a sum sufficient to enable us at the outset, to repeal the *Taxes* on MALT and HOPS and SOAP! These are articles of prime necessity! and the repealing of the taxes upon which, would afford most important relief to the *middle and working* classes of the nation.

XXXIII. It is too obvious to need enforcing, that if the Government, acting in the true spirit of reform, shall put a stop to all unnecessary expenditure, the prosperity which the nation would enjoy, under the proposed system of money, together with the gradual falling in, of the aforesaid Church Estates, would soon give to that Government, a *large* surplus of income above its expenditure; and thus enable it to be regularly paying off debt, and and as regularly remitting taxes, to the amount of the interest of the debt so paid; and in this way, the people would be made contented and happy, in constantly feeling and enjoying, the advantages of a *just, wise, energetic, and paternal* Government!

XXXIV. Thus, I humbly think, I have shewn, that we have the power of accomplishing one of the *greatest*, and *unquestionably*, one of the *most important* and *beneficial* changes, ever effected in civil society; without violating or disturbing a single existing interest.

XXXV. I do not offer the scheme, herein propounded to the world, as one which is, in its present form, perfect in all its

details; these, as well as the general principle, are doubtless, matters for the deliberate consideration and determination, of competent authorities, to be appointed for that purpose: I offer it only as a scheme, containing, *at least* the *rudiments* of a system capable of being perfected, and made so beneficial to mankind, that I believe, the interests of the world, will, at no distant period, cause it to be universally adopted.

FINIS.





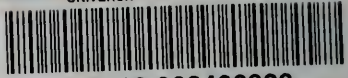








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