1695

A short paper on guineas written by John Locke at the request of Treasury Commissioner Sir William Trumbull in connection with the Treasury report of the 3rd of July 1695, which is printed above.

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£1 Sterling = 1860 gr

1 Crown = 465 gr:

1 shilling = 93 gr: fere [i.e., almost]

1 penny = 7¾ gr:

1 Guinea weighs 5 dw and 9/438 gr or 129/438 gr

1 Guinea at 20*s* is as 129 to 1860 or 1 to 14½ almost.

1 Guinea at 21*s* is as 129 to 1953 i e as 1 to 15¼

1 Guinea at 22*s* is as 129. to 2042 or 1. to 16. almost [i.e., reckoning the pound sterling at 1856 rather than 1860 gr; the figure 2042 should have been given as 2046]

1 Guinea at 30*s* is as 129 to 2784 or 1 to 21½ near [i.e., again reckoning the pound sterling at 1856 gr; the figure 2784 should have been given as 2790]

But by confession of that paper [i.e., the Report of the Treasury Commissioners, of the 3rd of July 1695] your English currant coin now weighing but ½ of what it should he that receives 30*s* for a guinea receives but 1392 gr: which is not quite 11. for one.

So that he that received 20*s* in Mild money for a Guinea received 1860 gr: of standard silver for 129 gr: of gold but he that receives now our clipd Money 30*s* for his guinea receives but 1392 gr: of standard silver for 129 gr: of gold whereby it is evident that he that has a Guinea now for 30*s* clipd money has by ¼ a better bargain than he that had a guinea formerly for 20*s*. mild money which being so there is no hindering people from taking them.

But if this be so how come foreigners so readily to import them?

The reason is plain because 30*s*. of clipd mony in tale haveing still an imaginary value above its weight will buy 5 ounces of bullion or thereabouts as the paper confesses whereby the forreigner get[ting] 5 ounces of bullion for the 30*s* which he had for his Guinea does in this way of laying out his Money get 20 per Cent.

But how comes it that 3 ounces of clipd money should purchase almost 5 ounces of Bullion?

This still is from the imaginary value that goes along with your coin though clipd which buys almost as much cloth or Leather or corne as if it had the weight as well as denomination and stamp of the mint.

Here again it will be asked why does the Country man or farmer give as much corne or wool or other commoditys for half the weight of silver that is half the value as if it were the full weight?

That is plain he does because this imaginary value is kept up by the Exchequers takeing it again for his Taxes and so as it were by authorizing or at least allowing it at that rate. Buy yet we see every one shifts away the light money as fast as he can and if he lays up any he will finde lesse losse in it to lay it up in Guineas at the rate of 30*s*.

The way therefor proposed by the Bank to put a stop to the Receipt of Guineas at 30*s*. seems unreasonable for how can any one desire authority to hinder the subjects to receive 129 gr: for gold for 1392. of silver when the Law allows 1860 gr: of silver to be given for 129 gr: of gold i.e. a Guinea to pass for 20*s*. mild money. To put a stop to the importation of gold which at the losse of 25 per cent carys away our silver and prejudices the Exchange is for the Exchequer not any longer to authorize this imaginary value i.e. not to receive any silver money but according to its weight and for the publique authority to prohibit clipd money to pass for more than its weight. This is the only way to stop the importation of gold so much at present to our losse which is yet far greater to us when this gold is laid out in commoditys and not in bullion for then we loose £33^{1}/3 per Cent.

A paper written at Sir Wm Trumbulls request upon occasion of a paper of the Lords Commissioners of the Treasury submitted to the Lords Justices 3° July [16]95.

Source: Kelly, ed., 1991, 2, pp. 363-364. For Sir William Trumball's request of Locke's opinion on the Treasury report, dated from the 19th of July 1695, see De Beer, ed., 1976-1989, 5, no. 1927, p. 414.