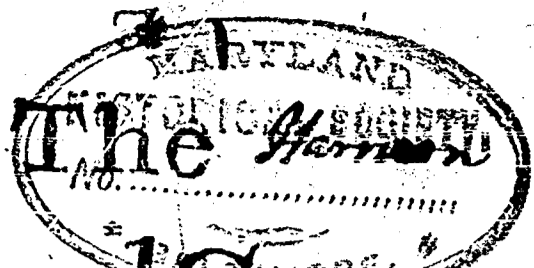




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# Maryland Gazette

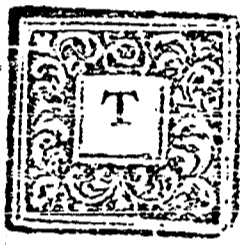
By Wm. Sam'l Harrison



From Tuesday July 15, to Tuesday July 22, 1729. (Numb. XCVII.)

The following Treatise, which was lately published in Pennsylvania, is so nearly adapted to the Circumstances of this Province, that 'tis believ'd the Publication of it Here, at this Juncture, will be of Service.

## A modest Enquiry into the Nature and Necessity of a PAPER-CURRENCY.



HERE is no Science, the Study of which is more useful and commendable than the Knowledge of the true Interest of one's Country; and perhaps there is no Kind of Learning more abstruse and intricate, more difficult to acquire in any Degree of Perfection than This, and therefore none more generally neglected.

Hence it is, that we every Day find Men in Conversation contending warmly on some Point in Politics; which, altho' it may nearly concern them both, neither of them understand, any more than they do each other.

Thus much by way of Apology, for this present Enquiry into the Nature and Necessity of a Paper Currency. And if any thing I shall say, may be of use in fixing a Subject that is now the chief Concern of my Countrymen, in a clearer Light, I shall have the Satisfaction of thinking my Time and Pains well employed.— To proceed then,

*There is a certain proportionate Quantity of Money requisite to carry on the Trade of a Country freely and currently; More than which would be of no Advantage in Trade; and Less, if much less, exceedingly detrimental to it.*

This leads us to the following general Considerations.

First, *A great Want of Money in any Trading Country, occasions Interest to be at a very high Rate.* And here it may be observed, that it is impossible by any Laws to restrain Men from giving and receiving exorbitant Interest, where Money is suitably scarce: For, he that wants Money, will find out Ways to give 10 per Cent. when he cannot have it for less; altho' the Law forbids to take more than 6 per Cent. Now, the Interest of Money being high, is prejudicial to a Country several Ways: It makes Land bear a low Price, because few Men will lay out their Money in Land, when they can make a much greater Profit by Lending it out upon Interest: And much less will Men be inclin'd to venture their Money at Sea, when they can, without Risque or Hazard, have a great and certain Profit by keeping it at home; thus Trade is discouraged. And if in Two Neighbouring Countries, the Traders of one, by reason of a greater Plenty of Money, can borrow it to trade with at a lower Rate than the Traders of the other, they will infallibly have the Advantage, and get the greatest Part of that Trade into their own Hands; for, he that trades with Money he hath borrowed at 8 or 10 per Cent. cannot hold Market with him that borrows at 6 or 4.

On the contrary, *A plentiful Currency will occasion Interest to be low:* And this will be an Inducement to many to lay out their Money in Lands, rather than put it out to Use; by which Means Land will rise in Value, and bear a better Price: And at the same Time it will tend to enliven Trade exceedingly, because People will find more Profit in employing their Money That Way than in Usury; and many that understand Business very well, but have not a Stock sufficient of their own, will be encouraged to borrow Money to trade with, when they can have it at a moderate Interest.

Secondly, *Want of Money in a Country, reduces the Price of that Part of its Produce which is used in Trade.* Because Trade being discouraged by it as above, there is a much less Demand for that Produce. And this is another Reason why Land in such a Case will be low, especially where the Staple Commodity of the Country is the immediate Produce of the Land, because that Produce being low, fewer People find an Advantage in Husbandry, or the Improvement of Land.

On the contrary, *A plentiful Currency will occasion the Trading Produce to bear a good Price:* Because Trade being encouraged and advanced by it, there will be a much greater Demand for that Produce; which will be a great Encouragement of Husbandry and Tillage, and consequently make Land more valuable, for that many People would apply themselves to Husbandry, who probably might otherwise have sought some more profitable Employment.

As we have already experienced how much the Increase of our Currency by what Paper Money has been made, has encouraged our Trade; particularly to instance only in one Article, *Ship-Building*; it may not be amiss to observe under this Head, what a great Advantage it must be to us as a Trading Country, that has Workmen and all Materials proper for that Business within it self, to have *Ship-Building* as much as possible advanced: For every Ship that is built here for the *English* Merchants, gains the Province her clear Value in Gold and Silver, which must otherwise have been sent Home for Returns in her Stead; and likewise, every Ship built in and belonging to the Province, not only saves the Province her first Cost, but all the Freight, Wages and Provisions she ever makes or requires as long as she lasts; provided Care is taken to make This her Pay Port, and that she always takes Provisions with her for the whole Voyage, which may easily be done. And how considerable an Article this is yearly in our Favour, every one, the least acquainted with mercantile Affairs, must needs be sensible; for if we could not Build our selves, we must either purchase so many Vessels as we want from other Countries, or else hire them to carry our Produce to Market, which would be more expensive than Purchasing; and on many other Accounts exceedingly to our Loss. Now, as Trade in general will decline where there is not a plentiful Currency, so *Ship-Building* must certainly of Consequence decline where Trade is declining.

Thirdly, *Want of Money in a Country discourages Labouring and Handicrafts Men (which are the chief Strength and Support of a People) from coming to settle in it, and induces many that were settled in it to leave the County, and seek Entertainment and Employment in other Places, where they can be better paid.* For what can be more disheartning to an industrious Labouring Man, than this, that after he hath earned his Bread with the Sweat of his Brows, he must spend as much Time, and have near as much Fatigue in getting it, as he had to earn it. And nothing makes more bad Paymasters than a general Scarcity of Money. And here again is a Third Reason for Land's bearing a low Price in such a Country, because Land always increases in Value in Proportion with the Increase of the People settling on it, there being so many more Buyers; and its Value will infallibly be diminished, if the Number of its Inhabitants diminish.— On the contrary, *A plentiful Currency will encourage great Numbers of Labouring and Handicrafts Men to come and settle in the Country, by the same Reason that a Want of it will discourage*