

[022\_261] [7–8 December 1820]

## APPENDIX F.

### Brouillon for ‘Paper Money for Spain’

*Vales Constitucionales*<sup>1</sup>

1. Paper coloured.
2. Engraving ornamented.
3. Calendar.
4. Portrait (not the King’s).
5. Paper—thinness diminishes brittleness
6. Portrait—Quiroga or Riego to[?] don[?] Colon[?].<sup>2</sup>
7. For the writing—Ink: Maclalach[?]<sup>3</sup> indelible.
8. Using the same coloured paper presumptive evidence of connection with forgery—and a separate offence: Yellow the privileged colour of China[?].<sup>4</sup> It must be some colour not yet in use for paper.

Subject of the penalty: when[?] of that texture, thinness, paper, mark and colour.<sup>5</sup>

Morn. Chron. Dec<sup>r</sup> 7. Printed on Bank Post Paper, 1<sup>s</sup>.—‘an Engraved Specimen of a Bank Note not to be be imitated.—By the Author of “The Political House that

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<sup>1</sup> Presumably Bentham’s name for the new Spanish paper money he was proposing, in contrast to the existing *Vales Reales*, paper instruments of public debt first introduced in 1780.

<sup>2</sup> Antonio Quiroga (1784–1841), and Rafael de Riego Nuñez (1784–1823) were leaders of the revolt of the army of Cadiz in January 1820. Diego Colón was envoy at the Spanish embassy in London, but Bentham may have had in mind rather Colón’s ancestor Christopher Columbus (Cristoforo Colombo) (1451–1506).

<sup>3</sup> Bentham perhaps had in mind John MacCulloch (1773–1835), geologist and surgeon, among whose research interests was the production of invisible ink.

<sup>4</sup> In Imperial China, yellow was traditionally regarded as the Emperor’s colour.

<sup>5</sup> The following paragraph is in the hand of John Herbert Koe (1783–1860) had joined Bentham’s household as an amanuensis in 1800.

Jack built.”—Hone.<sup>6</sup>

NOTE TO TYPESETTER: Please centre the following line of text.

Paper Money.

1. Public.
2. Private.

NOTE TO TYPESETTER: Please centre the following line of text.

Private.

1. Indeterminate—viz. Mercantile Bills.
2. Determinate—Banker’s Notes for fixt sums.

Effect on prices will depend on:

1. Quantity.
2. Velocity.

Velocity if determinate is much greater than if indeterminate. Indeterminate circulation only among dealers.

Determinate circulates among dealers and consumers.

Quantity given, velocity &c. must in argument be supposed the same: but only in so far as no difference is brought to view.

NOTE TO TYPESETTER: Please centre the following line of text.

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<sup>6</sup> See *The Morning Chronicle*, 7 December 1820, p. 1. The full title of the note was *An Engraved Specimen of a Bank Note—Not to be imitated! with the Bank Restriction Barometer, or Scale of Effects on Society, of the Bank-Note Sytem and Payments in Gold.—By the Author of “The Political House that Jack Built”*, London, 1820. William Hone (1780–1842), satirist and bookseller, was the author of both works, the latter having been published at London in 1819.

### Circumstances peculiar to Spain

1. Influx of metallic money less than before by reason of the situation of Ultramarina.<sup>7</sup>

2. More things vendible coming to market: viz. Church Lands.

Its sole advantages over the existing paper (*Vales Reales*) are:

1. Its capacity of going into more hands by reason of the smallness of sums, and faculty of obtaining payment. In so far as the sums were as large as the smallest of the *Vales Reales* it would come in competition with them and sink their value.

This it will not fail to do at any rate till and except as both together had increased the quantity of commodities, for by a certain amount[?] of *Vales Constitucionales* the value of the least *Vales Reales* would be equalled.

The possessors of *Vales Reales* would have reason to complain of injustice, in so far as by d<sup>o</sup> *Constitucionales* their value was lowered.

So they would say if prevented from rising according to expectation. Answer. Expectation ought to take into consideration probable contingencies. This of the *Constitucionales* is one of them.<sup>8</sup>

NOTE TO TYPESETTER: Please centre the following line of text.

### *Inquirenda* Paper Money.

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<sup>7</sup> ‘Ultramarina’ was Bentham’s term for the overseas possessions or colonies of Spain. At the time of Bentham’s writing Río de la Plata and Chile had renounced Spanish rule, and other colonies would follow their lead: see *Colonies, Commerce, and Constitutional Law: Rid Yourselves of Ultramarina and other writings on Spain and Spanish America*, ed. P. Schofield, Oxford, 1995 (CW), pp. xvi–xvii.

<sup>8</sup> In an unrelated passage, Bentham noted at this point: ‘Panopticon Diet.

‘From Hindostan, might not Rice[?] be imported into Spain cheaper than Grain[?] or any thing else could be bought?

‘Enquire of Mill, Bowring[?], Laurence[?] &c.’

James Mill (1773–1836). John Bowring (1792–1872), merchant, later radical MP and diplomat. William Effingham Lawrence (1781–1841), merchant and shipper.

Existing paper money—its different[?] species—their

1. Dates of creation and rate of interest.
2. Quantities created at different times.
3. Quantities remaining in the Market.
4. Prices Current on different days of the year 1820.

Calendar Court[?]  
—equivalent to—shewing the Officers with their Salaries.

Judicial Establishment in particular—List of the Members of.