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M O N E Y and C O I N S.

P A R T I.

The Theories of C O M M E R C E,
M O N E Y, and E X C H A N G E S.

By Joseph Harris, Assay Master at the Mint.



L O N D O N,

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To the Honourable

RICHARD ARUNDELL, *Esq;*

As a testimony of Esteem for his great
Worth and Abilities, and as a grateful
acknowledgement for many Marks of his
Favour and Regard, during a long course
of years ; this Tract

Is humbly Inscribed and Dedicated, by

His most faithful

and obedient Servant,

THE AUTHOR.

P R E F A C E.

THE main part of the following essay, was drawn up many years since for a truly great and good man; one who, if it had pleased God to have continued his life but a little longer, intended, amidst his other great designs for the good of this country, to have made such regulations in regard to our coins, as probably would have obviated all complaints about them for the future. The chief design of this first part, is to unfold the true nature and theory of money: A subject wherein every one is interested, and that in some measure in proportion to his property; and yet, a subject it seems, that very few understand; and concerning which, many, and those too of some note, are under gross mistakes.

In order to clear the way, and for the better settling of things upon their first and true principles, it hath been thought necessary to take a general view of wealth and commerce, which is the subject of the first chapter; and the third, concerning exchanges, is not quite foreign to the main design.

Some of the points here touched upon, deserved to have been discussed more at large, if the designed brevity of the whole would have permitted. The author is clear as to the goodness of his intention, and hopes that his ill state of health, while these sheets were printing, will be admitted as an apology for such faults as may have happened in the execution.

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T H E
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PART I.

The Theories of COMMERCE,
MONEY, *and* EXCHANGES.

CHAPTER I.

*Of the nature and origin of wealth
and commerce.*I. *Of wealth, what, and wherein it consists.*

I. **T**HE earth abounds with an infinite variety of materials, for the comfortable subsistence of human life: Besides the great diversity of food, vegetable and animal, more than sufficient to satiate the most gluttonous appetite; how admirably are wood, stones, metals, &c. adapted to their various uses! What is there left unprovided, and of what kind is that other material that could have added to human conveniency? But amidst this vast profusion of things, the earth spontaneously produces but few that are ready fitted for our use: Some pains and industry are required on our part, without which,

*Land and
labour, the
sources of
all-wealth.*

our condition upon this globe would, perhaps, be the most forlorn and uncomfortable of any of its inhabitants. But of this we have no cause to complain: Labour or bodily exercise, in a certain degree, is not only easy but pleasant to us, conducive to our health, and every way suited to our nature; and we are endued with ample powers for adopting and fitting the materials about us, according to our various exigencies and occasions. Land and labour together are the sources of all wealth; without a competency of land, there would be no subsistence; and but a very poor and uncomfortable one, without labour. So that *wealth* or *riches* consist either in a propriety in land, or in the products of land and labour.

In wealthy countries, the value of the labour is much greater than that of the land.

2. The proportional values of land and product, differ very much in different countries; as the soils are respectively more or less fertile, and the inhabitants more or less industrious, and skilful. Without some kind of tillage, much land will be requisite to maintain a few inhabitants; and a small field of wheat will afford nourishment to more people, than a large forest yielding nothing but
acorns

acorns and wild fruits. The annual produce of labour in *England*, I imagine, is of much greater value than the rent of the land; but their exact proportion to each other, cannot be easily assigned. It is commonly supposed that a farmer, to be enabled to live comfortably, must make three rents of his land; and when we consider the coarseness of those commodities, that are commonly expended in a farmer's house, in comparison of many others consumed by those of more affluent fortunes; the value of labour to that of land, must be with us greater than that of 2 to 1. Wool wrought into cloth is much advanced in its value; thread may be of above 100 times the value of the flax whereof it was made. The value of the materials in * watches, and innumerable other things made of metals, is but small in comparison of the value of the workmanship. But we must not pursue this notion too far: The numbers employed about these costly things, may not bear a large proportion to those who are either idle, or occupied about tillage, buildings, or other manufacturies; where the raw materials are worth near as much, or sometimes more, than the labour bestowed upon them.

B 2

them.

* The balance spring in a good watch is worth above a million of times the value of the steel.

4 *Of MONEY,* Part I.

them. The *British merchant* computes the value of labour to that of land in *England* to be as 7 to 2 *. He supposes the people of *England* to be 7 millions, and each man at a medium to expend 7 pounds each, which makes the whole annual consumption of *England* 49 millions; 45 millions of which he supposes to be our own product, 4 millions

* This shews the great value of arts and industry. But their usefulness doth not terminate in the mere value of their productions; their benign influence extends much farther. By furnishing employment, at the same time, both to the mind and body; they tend to improve the understanding, to humanise mankind, and to preserve them from that brutal barbarism, which is ever the attendant of stupid indolence and inactivity. Each individual, by a laudable industry, striving to benefit himself; the whole community share the fruits, and peace and good order is every where maintained.

But here occurs a difficult question; how to employ usefully all that are fit and able to work, and to maintain comfortably such as cannot help themselves? Our indulgent parent hath so ordered things, that it should not be necessary for all to work: Some compute, that the labour of one-fourth of the people is sufficient to maintain the other three-fourths; that one-fourth, as infants, old people, &c. are quite helpless; that one-fourth live upon their lands; whence one-fourth are left for the learned professions, state offices, and for being merchants, shopkeepers, soldiers, &c. Here then are three parts that are mere consumers; and as a country grows in wealth, the candidates for genteel employments may become more numerous in proportion to the rest, perhaps too much so for the land and labour to maintain: And thus, too many expecting a livelihood without labour; murmurs, complaints of the decay of trade, want of money, &c. will be loud. Amongst the lower class, some professions at times will be naturally overstocked: But if there be want of employments upon the whole, there must be some defect in our police; as the produce of *England* is undoubtedly sufficient, to employ and maintain comfortably, a much greater number of inhabitants.

lions foreign commodities; and the rents of the lands he makes 14 millions.

II. *Values of things, how estimated.*

3. Things in general are valued, not according to their real uses in supplying the necessities of men; but rather in proportion to the land, labour and skill that are requisite to produce them: It is according to this proportion nearly, that things or commodities are exchanged one for another; and it is by the said scale, that the intrinsic values of most things are chiefly estimated. Water is of great use, and yet ordinarily of little or no value; because in most places, water flows spontaneously in such great plenty, as not to be withheld within the limits of private property; but all may have enough, without other expence than that of bringing or conducting it, when the case so requires. On the other hand, diamonds, being very scarce, have upon that account a great value, though they are but of little use. A quicker or slower demand for a particular commodity, will frequently raise or lower its price, though no alteration hath happened in its intrinsic value or prime cost; men being always ready to take the advantage of

6. Of MONEY, Part I.

one another's fancies, whims or necessities; and the proportion of buyers to sellers, or the demand for any particular commodity in respect to its quantity, will always have an influence on the market. The intrinsic value of a particular commodity may be also enhanced, though its quality is debased; as a bushel of musty grain at one season, may be worth much more, than the like quantity of good grain at another.

Cheapness, how estimated.

4. Commodities are called bulky or said to be * cheap, which bear but a small proportion of value to others of equal bulk; and these are natural products, either growing spontaneously, or requiring no great art and labour in their cultivation; as grain of all sorts, cattle for food or labour, timber and stone for building, fuel, &c. The goodness of Providence having so ordered things, that those main supports of life should abound every where, according to the exigencies of different climates. And of metals, that most useful one, iron, is in our happy clime the cheapest.

Natural

* Things are also said to be cheap or dear, in respect to the prices they bore at some former market.

Natural products, &c. subject to a greater variation in their value, than artificial.

5. The quantity of corn, &c. produced from the same number of acres, and from the same quantity of labour, being sometimes very different, according to the difference of seasons; grain of all sorts, as also cattle from mortality amongst them, or other casualties, are subject to much greater variations in their values, than artificial products; and a bushel of corn may be worth twice or thrice as much cloth, at one time as at another. Corn must be had; and the farmers will endeavour to make as much of their small stock, as when they had a greater plenty; on the other hand, when the market is full, they must lower their price; till, after reckoning the value of the land, the labour bestowed in raising a bushel of corn, and in fabricating the thing for which it is exchanged, are on both sides nearly equal. Things of a more limited vent, are subject to vary yet more from their usual price, than corn; as apples, hops, &c.

Things are the more valued, the farther they are from the place where they were first produced.

6. Things near the place where they are produced, whether by nature or art, have naturally a less value in proportion to other things, than they have in places more remote ; and this in proportion to the risques of all sorts, and expences of carriage. Silver is naturally cheaper in *Mexico* than in *Spain*, and in *Spain* than in the rest of *Europe*. Things that are rare, or for which there is no great demand, are generally dearer than in the above proportion : For, when there are but few dealers in any commodity, they seldom fail to enhance its price, and that sometimes very exorbitantly. One great mystery of trade, is to keep off new adventurers, by concealing its profits ; and whilst that may be done, the gains will be large,

III. *The price of labour, the chief standard that regulates the values of all things.*

7. The values of land and labour do, as it were of themselves, mutually settle or adjust one another ; and as all things or commodities, are the products of those two ; so
their

their feveral values are naturally adjusted by them. But as in most productions, *labour* hath the greatest share; the value of labour is to be reckoned the chief standard that regulates the values of all commodities; and more especially as the value of land is, as it were, already allowed for in the value of labour itself.

Men's various necessities and appetites, oblige them to part with their own commodities, at a rate proportionable to the labour and skill that had been bestowed upon those things, which they want in exchange: If they will not comply with the market, their goods will remain on their hands; and if at first, one trade be more profitable than another, skill as well as labour and risques of all sorts, being taken into the account; more men will enter into that business, and in their outvying will underfell one another, till at length the great profit of it is brought down to a *par* with the rest.

Some estimate of the value of labour.

8. It may be reasonably allowed, that a labouring man ought to earn at least, twice as much as will maintain himself in ordinary food and cloathing; that he may be enabled

enabled to breed up children, pay rent for a small dwelling, find himself in necessary utensils, &c. So much at least the labourer must be allowed, that the community may be perpetuated: And as the world goes, there is no likelihood that the lowest kind of labourers will be allowed more than a bare subsistence; if they will not be content with that, there will be others ready to step into their places; and less, as above observed, cannot be given them. And hence the quantity of * land that goes to maintain a labourer, becomes his hire; and this hire again becomes the value of the land; the expences of manuring and tilling it, being also included. There is a difference in the proportion of the value of an acre of land to a given quantity of labour, all over the world; and this ariseth, not only from the different goodness of the land, but also from the different ways of living of the peasants in different places. For, where labour is very cheap, that is, where the labourers live very poorly, land will be also cheap; as the poor, from their numbers, are the principal consumers of the grosser products of the earth.

* Lands yielding uncommon products, as mines, &c. are not here considered; the uncommonness of them gives an opportunity to the owners of making more than ordinary profit by such products.

earth. So that every where, I think, the price of land is influenced by the price of labour; that is, by the quality of food and raiment consumed by the labourers; for of some sort, they must have a sufficient quantity: It seems then to be no good policy in the rich to deal too hardly with the poor; besides, that such treatment must needs greatly check arts and industry, discourage matrimony amongst the lower class, and inspire them with thoughts of quitting their homes, in hopes of bettering their state elsewhere. But the benevolence here hinted at, is to be tempered with discretion: The children of the poor should be brought up and inured, as early as may be, to some useful labour; and be taught with due care, the great principles of religion and morality. But all are not agreed that reading and writing, are qualifications necessary for the obtaining of those ends; some think, that these accomplishments are useful only in higher stations; and that to instruct at a public expence the youth of the lower class in reading, writing, &c. is a kind of intrusion upon the class next above them; that these qualifications, instead of being advantageous to the poor who possess them, serve only to render their state more irksome, and to inspire them

with notions subversive of society. There must be labourers; and that most useful class of men should be duly cherished and taken care of: But books and pens will not alleviate the weight of the spade, or at all contribute to dry the sweat off the labourer's brow.

Charitable contributions necessary.

9. The price of labour being fixed, so that one labourer can earn about twice as much, or something more, than what will maintain himself; if he has several young children, a sickly wife, an aged and helpless parent, or is himself disabled; he will want, and will have a right to ask, the charitable aid of some of his opulent neighbours; It is therefore almost unavoidable, but that some of the lowest class will be destitute of subsistence, who must or ought to be maintained and taken due care of, by public contributions or establishments *. If a man be single, he will earn as much as the married man; for no regard to a man's circumstances will be had in the price of his labour; and so the single man may feed and clothe himself better than the other; and
if

* Great care should be taken that all charitable contributions are duly applied to their proper objects, and are not embezzled or wantonly squandered.

if he is frugal, he will save somewhat against he is married, which little savings may enable him to live more comfortably all the rest of his life.

Mechanics earn more than labourers, &c.

10. To bring up a child to a trade, there is not only an expence in fitting him out, and during his apprenticeship, but also a risque of his dying before he is out of his time; from which considerations a mechanic is entitled to better wages than a common labourer: And as any given trade is attended with greater risques of any sort, requires more skill, more trust, more expence in setting up, &c. the artificer will be entitled to still better wages. In like manner, those professions that require genius, great confidence, a liberal education, &c. have a right to be rewarded proportionably. And thus, the prices of labour and services of different sorts, have a considerable difference founded in the nature of them: But the wages of the lower class, wherein is to be included, as well the common artificers as the husbandmen, seems to be the main and ultimate standard that regulates the values of all commodities; and if those wages be regulated by and paid in bullion,

that

that specific bullion will be the true and real money of the country where it is so applied, notwithstanding what else may pass in greater transactions.

IV. Of trade or commerce.

11. By the wise appointment of divine Providence, a mutual intercourse and commerce amongst men, is both conducive and necessary to their well being. Every man stands in need of the aid of others; and every country may reap advantages, by exchanging some of its superfluous products, natural or artificial, for those which it wants of foreign growth.

The first employments that a colony of people, newly settled in an uncultivated country, would naturally fall upon, would be to clear, till and sow, or plant the ground with seeds and roots proper for their nourishment; and to provide themselves with some kind of dwellings and garments, to shelter and protect them from the inclemencies of the weather: In order to obtain which, they would soon find themselves under the necessity, and feel the comforts, of associating together, and of establishing a certain mode or form of government. For, all the labour and skill of any one man, or
of

of any one family unconnected with others, would scarce be able to procure them the common necessaries of food and cloathing; and much less would they be ever able to furnish themselves with those various conveniencies, which we now so plentifully enjoy.

Men are endued with various talents and propensities, which naturally dispose and fit them for different occupations; and are, as above observed, under a necessity of betaking themselves to particular arts and employments, from their inability of otherwise acquiring all the necessaries they want, with ease and comfort*: This creates a dependance of one man upon another, and naturally unites men into societies. In like manner, as all countries differ more or less, either in the kinds or goodness of their products, natural or artificial; particular men find their advantages, which extend to communities in general, by trading with the remotest nations.

It was the necessities of men that gave birth to the arts, and long experience hath brought many of them to a surprizing degree

* The mutual conveniencies accruing to individuals, from their betaking themselves to particular occupations, is perhaps the chief cement that connects them together; the main source of commerce, and of large political communities.

gree of perfection. The most curious arts now subsisting are the growth of *Europe*, and chiefly of the last and present age; and herein, our own country hath much to boast of*.

Usefulness of distinct trades, farther illustrated.

12. The advantages accruing to mankind from their betaking themselves severally to different occupations, are very great and obvious :

* The name of NEWTON, to omit many others of great eminence in different kinds of knowledge, will do honour to this nation, whilst men continue civilized, and preserve the sciences amongst them. We have lately lost a mechanic, whose assistance on many occasions was eagerly courted, even by our vain and rival neighbours; a man well known, and, being known, admired, in all the principal courts, and learned academies of *Europe*. I need not say that I here mean the late GEORGE GRAHAM, whose eminent skill in mechanics, by which he was known to the world, was yet known to his friends to have been but a small part of his merit. We have yet several artists who excel in their respective professions, all that went before them. What Mr. HARRISON hath done about *clocks*, is truly admirable; and *mathematical instruments* were never made so perfect and exact, as they have been and still are by Mr. BIRD: These men stand unrivalled. I have many more very excellent artists in my eye, but I forbear naming any, lest I should do injustice to others who might have an equal share of merit.

Whilst I am celebrating the superior skill of some of our most eminent artists, I am not very wide from my subject: And I wish it was duly considered, by those who ought to consider it, what countenance and encouragement is due to such men; what great benefactors they are to their country, what great reputation and wealth they bring to it, who by their fame and example create emulation in others, and so raise and support a reputation of our artificial products in distant countries.

obvious : For thereby, each becoming expert and skilful in his own particular art ; they are enabled to furnish one another with the products of their respective labours, performed in a much better manner, and with much less toil, than any one of them could do of himself *. And the world now abounds with vastly greater quantities and varieties of artificial products, than could ever have been effected by the utmost efforts of small and unconnected societies. The farmer is the most likely person to be able to subsist of himself ; but he would find it very difficult to get even implements for his husbandry, without the aid of the smith and the carpenter ; and they again, find it their interest to truck with him for what they want, instead of tilling the ground themselves. In building and furnishing a house, the business

* When our great load of taxes, reaching down to the meanest artificer, is considered ; it would seem that labour is cheaper in *England* than in other countries ; that is, that our artificers are more skilful, and produce more and better goods in a given time, than is usually done elsewhere : For, in comparing the price of labour, the mere consumptions or earnings of the labourers, are not alone sufficient ; what their labour produces, must be also taken into the account. Without supposing that labour, in effect, is really cheap with us, it would be difficult to account how such large quantities of our artificial products could be vended abroad. But how long this supposed superiority of our workmen, can be able to balance our other disadvantages, deserves seriously to be considered.

finess becomes still more complex ; and more variety of arts are necessary. And should any one undertake to provide a coat only, by going himself through the various operations of shearing the wool, carding, spinning, weaving, tucking, &c. half the labour and toil in his own particular profession, would not only have equipped him with a better garment, but also procured him other necessaries *. Besides the great incumbrance of tools, that would be requisite for the finishing of most things from the beginning ; it would be next to impossible for any one man, either to find time, or to acquire skill sufficient, for the making of all those tools ; he would soon find himself at a loss, and under a necessity of seeking the aid of others.

Usefulness of dealers.

13. The usefulness of people betaking and confining themselves to particular arts, is very manifest. And from hence naturally arise employments for another class of men ; I mean, dealers of all sorts, from the meanest shop-keeper to the merchant : These, with-
out

* Agreeable to this is the old *adage*, " Jack-of-all-trades " will never be rich." And those smattering geniuses who will be meddling in various arts, rather than employ others in their proper callings, are but poor economists, as well as bad neighbours.

out applying themselves to any of the manual arts, are busied in collecting, and afterwards in distributing, the various sorts of products or commodities; and by their arts and industry, the products of the remotest places are collected, as it were, into grand store-houses; where every one may be readily supplied, according to his desires.

The dealers, like the artificers, are subdivided into distinct trades, and so, become mutually serviceable to each other. Without this subdivision, commerce would have been strangely embarrassed; many parts of it must have been totally neglected; and a monopoly here would have like bad effects, as if men tried themselves to make all the things they wanted.

Usefulness of commerce farther exemplified.

14. To exemplify the nature of commerce a little more particularly: Amidst the farmers, which we will suppose are dispersed at convenient distances over the whole country, there will be villages of different sizes, dispersed at yet greater distances. In these villages, besides some farmers, and some poor husbandmen; there will be most likely a smith, a carpenter, an alehouse-keeper, perhaps a butcher; if not

a shoe-maker, at least a cobbler, a petty grocer, &c. In larger villages, there will be more of these trades, and some others besides: All these have their food of the neighbouring farmers, and are supported by what they earn of them, and of one another. Their overplus, the farmers carry to the adjacent market-towns; wherein are a greater number, and a greater variety of artificers; more shops, and better sorts of goods; more publicans, and better entertainments, than are in the villages. The several shopkeepers here, fetching many or most of their goods from remote places, in large quantities at a time, can afford to furnish their respective customers at a much cheaper rate, than they could furnish themselves; as they save each of them the trouble, risque, loss of time, and expence of a long journey. These shopkeepers know also, how to procure their goods at the best hand; and they take care to furnish themselves, with whatever is necessary for the consumption of the adjacent country. The farmers, likewise, find it their advantage to dispose of their superfluous cattle, butter, cheese, &c. to drovers and chapmen, that come to meet them at known appointed fairs; and they again, know where to drive and carry, by
whole-

wholesale, those commodities to a better market.

The trade of large towns, is again branched out into greater varieties; these not only supplying the lesser towns, as they do the villages, but also affording many curiosities, fit only for the gentry and people of affluent fortunes. In like manner, manufacturers and dealers, find it their interest to seek each other: Knowing before-hand where and how to dispose of his goods; the one, is enabled to pursue and cultivate his art, without that loss of time and interruption, to which he would be otherwise liable; and the other, having in his warehouse various sortments of different goods, bought at the best hand from different manufacturers, furnishes not only the petty shop-keepers or chapmen of his neighbourhood, but also many others in remote places, with all the sorts they want; which would have been endless and too expensive for them to have done, by going themselves for their little quantities to the several manufacturies, which might be dispersed at great distances.

Thus, as in the manual arts, it is the interest of each dealer, to confine himself within a certain district; and this, likewise, is of mutual advantage to the whole: By this œconomy, each particular trade becomes better

understood, better cultivated, and carried on easier and cheaper; the whole community is, as it were, thereby linked together in one general commerce; and by a daily intercourse and correspondence, a large country becomes in effect as one great city; greater numbers, creating more employments, and contributing to each other's better subsistence: It being a constant observation, that the poorest living is in thin inhabited countries. Indeed, it is trade that makes countries populous, as well as what procures the inhabitants a comfortable subsistence. Again, by the diligence of the merchant, in investigating and dispersing the products of different countries; all nations become, as it were, connected together in a commercial interest; and all enjoy the benefits of the various productions of different climates.

Of foreign commerce.

15. In a nation skilful in arts, and abounding in products for the necessaries of life; the due ordering of its own internal trade, must be its greatest concern: But yet foreign commerce is advantageous, in many respects. By the great and almost inexplicable circuit and labyrinth of trade, the peculiar riches of each respective country, are dispersed

dispersed every where, to the mutual benefit of all mankind; and the whole world becomes, as it were, one community or great trading city; every climate, by the means of commerce, enjoying the peculiar fruits of the rest: By commerce, not only commodities natural and artificial, but the arts themselves are also communicated, improved, and extended; industry promoted, and useful employments found for a greater number of hands. There is perhaps no nation in the world, but what might subsist of itself; most countries abounding with means of sustaining life, suitable to their respective climates; and yet, perhaps, there is no country so fertile, or nation so polite, but what may be greatly benefited by a foreign commerce. In the *West-Indies*, where labour is toilsome, a small degree of it suffices to procure plenty of roots for bread; and a sufficiency of flesh, fish, and fowl, are easily obtained. But the artificial products of *Europe*, are a beneficial exchange for the produce of the cane; and this again is convenient and acceptable to the *Europeans*.

Every nation should have a watchful eye over its foreign commerce; for it might so happen, that a trade which enriches the merchant, might impoverish the public.

That trade is most beneficial, which exports those commodities that are least wanted at home, and upon which most labour hath been bestowed ; and which brings in return the reverse sort ; that is, simple products, either necessary for immediate consumption, in the form they are imported ; or as materials to be wrought into commodities, wanted either for home use or exportation. In few words, that trade is best, which tends most to promote industry at home, by finding employment for most hands ; and which furnishes the nation with such foreign commodities, as are either useful and necessary for our defence, or more comfortable subsistence. And that trade is the worst, that exports the least of the product of labour ; that furnishes materials for manufacturies in other countries, which afterwards might interfere with some of its own ; and which brings home unnecessary commodities, either soon perishable, or of a precarious value. But no nation can in all cases chuse for itself : The immediate disadvantages of some trades are to be overlooked, if in the long run and great circle of commerce, they at last turn out to be beneficial. Natural alliances, and
natural

natural rivalships, for such there are, and ever will be, betwixt particular nations, are also subjects of great moment to the statesman, though not to the merchant, in the consideration of a beneficial commerce. And to a maritime country, the increase of shipping and of mariners, is an object of great importance.

I am unwarily entered upon a large field; but my view under this head, being only to give a general idea of the nature and benefit of trade, by sketching out some of the principal lines, I must here proceed no farther: To treat this subject with tolerable accuracy, would be a large, curious and useful undertaking *.

V.

* This would be no less, than the taking a general view of the whole political œconomy of established communities; it would be shewing how the several parts are necessarily connected, mutually dependent on and subservient to each other, and to the whole: Such a work might be of singular use to the statesman, by pointing out to him, what parts are growing too luxuriant, and what parts want further nourishment and countenance; and perhaps, in the whole system of politics, if the whole doth not ultimately terminate there, no part is of that importance as the preserving of a due order in all things at home.

How trades beget and nourish each other, is beautifully described in a book, containing many judicious observations upon that subject, entitled, *A plan of the English commerce*, page 26 to 27. The author, after supposing fifty farmers, each with two hundred pounds stock, settled in a kind of circle of a convenient extent in some uninhabited part of *England*, shews how in a little time a town with various trades, would be naturally built and settled in the
midst

V. *Of the comparative riches or wealth of nations.*

16. The comparative riches and strength of nations, are not to be reckoned from the extent of their dominions, or simply from their numbers of people; but rather from the fertility and aptness of the soil, for furnishing useful and necessary products; from the industry of the inhabitants, and their skilfulness in arts; and besides all this, from their having a well-modelled, and well-administered government: For a good government is itself a most valuable treasure, a main source of riches, and of all temporal blessings. The *Russian* map, takes in a larger extent of country than all *Europe*; and yet that nation till of late, made no great figure upon the stage of the world. I am inclined to think that the territory of *Great Britain*, is more * valuable, though less extensive, than

midst of them; and how these farmers and their families, which he supposes to consist of 350 persons, would bring to them and find maintenance for at least 1000 persons more. The whole detail is too long for this place, and to abridge would be to maim it. This book was printed for C. Rivington in *St. Paul's Church-yard*, anno 1718.

* Besides having of our own growth, plenty of all sorts of provisions, materials for buildings, apparel, &c. we have also lead, tin, copper, iron, calamy, coal, culm, allom, copperas, fullers earth, and sundry other minerals; some of which are in a manner the peculiar growth of this country, and very desirable

than *France*; and the *English* artists upon the whole, take the lead of all the world. The *French* are much more numerous than we are, and perhaps also more skilful in the arts of war; and their government, for sudden enterprizes, is * better framed than ours: But the *English* commonalty are more robust, brave and intrepid when roused; and have from their soil and skill in arts, such great resources and advantages, that if they do but preserve their † constitution entire, maintain a public spirit, with union and concord amongst themselves; they may continue their independency upon other nations, to the latest times. But futurity is not ours: Let us, whilst we are, each in his place, act our parts like men, and all will be well.

The stock of a nation in all sorts of productions, natural and artificial, is to be included in the idea of its riches; and more especially its stock of those things that are necessary for the support of life, and for defence against enemies: For as men are circumstanced, this
last

desirable abroad: But I do not recollect to have heard, that *France* yields any one natural product wanted by us.

* This advantage is, in many other respects, much overbalanced by the milder and more temperate frame of our government.

† The freedom of this nation, is the true parent of its grandeur: If ever it becomes enslaved, its august and mighty monarch, will dwindle into an inconsiderable and petty tyrant.

last also is a necessary ingredient. An industrious and skilful nation, having the land well stocked; the houses well furnished; the shops, warehouses, granaries and magazines of all sorts, well filled; may with great propriety be said to be rich: To this estimate, must be also added all the goods in foreign warehouses, that are the property of its merchants. When the riches of a country, are considered under this extensive view; the whole amount of its cash or bullion, cannot make so considerable a part, as people are apt to imagine. We shall consider more particularly hereafter, in what sense, and how far, gold and silver are riches: But we are not to form an idea of the riches of past ages, from the abundance they had of those metals. The *Inca's* of *Peru* were not the richer, for the immense masses of gold they possessed; and its being so greedily coveted, proved the cause of the loss of their country: Could they have changed their gold into iron, it would have been vastly more serviceable to them; and with it, they might probably have defended their country, against those merciless invaders, that used them so barbarously. We should not yet perhaps, reckon those people so very despicable and poor, because they had but few
of

of the arts amongst them: They were in possession of a goodly country; had plenty of sustenance; of such apparel and buildings, as gave them content: If they had no learning, they yet had good manners, probity, and a regular government; worthy, in many respects, the imitation of the politest *Europeans*. But we, having tasted the sweet fruits of arts, could not part with them, without feeling the utmost reluctance; without being in a high degree sensible of the calamitous distresses of poverty. It is in the product of arts, that riches chiefly consist; and if we reckon by this standard, the present age is probably richer than any of the past; and our own nation is herein, not inferior to any of its neighbours.

Of sumptuary laws.

17. The desire of increasing in wealth and riches, is universal; many cry out against luxury, and wish to have it stopped by *sumptuary laws*. But this is a matter of great delicacy, and requires a nice judgment: Such laws, if not well considered, might be productive of effects, contrary to their intention. The curious arts of all sorts, are beneficial to a country; and the discouraging any of them, will, instead of

beget-

begetting riches, bring on poverty. If men had contented themselves with bare necessities, we should have wanted a thousand conveniencies, which we now enjoy; and many of the talents given to us, would have been quite useless, for want of opportunities of exerting them. The word *luxury* hath usually annexed to it, a kind of opprobrious idea; but so far as it encourages the arts, whets the inventions of men, and finds employments for more of our own people; its influence is benign, and beneficial to the whole society. But if luxury, or fashion, tend to discourage the arts and industry at home; to stock the nation too much with costly trifles from abroad, of no real use; or with consumable commodities, not really wanted; thereby, transferring the employments from our own poor, to those of other nations; to nations, it may be, not our friends; luxury then, degenerates into evil, and should be suppressed in time. Vanity, though it ruins many individuals, is yet perhaps beneficial to the community; and the ways of indulging it, should not be too much straightened: Prevent its leading to any intemperances, that may affect either the healths, morals, or industry of the people, and no harm will be done.

VI. *Industry the source of wealth, and good order that of industry: Public spirit the great fountain of national grandeur, and happiness.*

18. I shall conclude this chapter, with observing again; that labour, skill, and industry, are the true sources of wealth; and the means of distributing it, in a due proportion, among all the members of the body politic. It is not any specific quantity of money, but the due distribution of it, that renders that body healthy and vigorous in all its parts. Idleness is the bane of society; the great source of vice and confusion; the fore-runner of public distress and calamity. Industry produces the contrary effects; and is to be promoted by all possible methods: These are various; they are chiefly good laws, speedily, righteously, and cheaply executed; wise regulations of commerce, as well internal as foreign; good examples; a watchful care in the magistrates, to suppress in the first instances, vice, sloth, and all kinds of immoralities; a due care of the indigent and feeble, that none perish for want, when there is more than sufficient for all; the securing of private property; a due dis-

dain

dain of all chicanery, quibbling and sophistry, more especially, in schools and courts of justice; ability, uprightnes and dispatch in public offices; the countenancing of probity, of plain dealing, of arts and sciences; and in all cases, an inviolable maintenance of public faith. These, are some of the ways, to breed and cherish a public spirit, among all ranks of people; without which, no nation can be happy; no community can long subsist.

A nation skilful in arts, abounding in products, untainted in its morals; where public spirit prevails, above local and personal interests; and under a wise and righteous government, duly tempered, so as to be secure itself, and all under it secure; a nation, I say, under these circumstances, must needs within itself, be rich, flourishing and happy. But power, grandeur, and influence abroad, depend chiefly on the numbers of industrious inhabitants at home. A limited number, cannot acquire above a limited degree of wealth, or strength: The way to increase both, is to break down the barricadoes of local enfranchisements; to encourage matrimony among the lower class, by giving some privileges to those who have children; finding employments for those
who

who are able ; and supplying with necessaries, the helpless and indigent. Moreover, if you please, you may invite hither foreign Protestants ; by giving the privileges of free denisons, to all that are desirous of incorporating themselves under the banner of our laws, and enjoying the benefits of our happy constitution. But some better regulations should be made with regard to our own poor, before strangers can be induced to come among us.

CHAPTER II.

Of MONEY, and COINS.

I. Of Barter.

19. **T**HE first commerce amongst men, was undoubtedly carried on by *barter*, or the exchange of one commodity for another ; and indeed, this is the true and ultimate end of all commerce, whether foreign or domestic. But as men and arts increased, a mere barter of commodities became inconvenient, and insufficient, in abundance of instances. For it must needs frequently happen, that one man would want goods of another, that wanted none at the present, of those goods which he had to give him in exchange ; and therefore to him, these goods would be but of small value ; and it might be a tedious and intricate course, before the goods of the first man could be so often bartered, till at length they became exchanged into that particular commodity, which the second wanted. The same inconvenience would attend private bills, or promissory notes ; for the *note* could not well be

be discharged, till the man who gave it, met with a customer, that had goods which suited him, to whom the said note had been given. Add to this, that contracts payable in goods were uncertain; for goods even of the same kind, differ in value. One horse is worth more than another horse: Wheat off one field, is better than wheat off another. Cows, horses, swine, &c. wheat, barley, oats, &c. might differ greatly in their value; a great disparity also would frequently happen, between artificial things of the same sort, as one workman excelled another. So that in this state of barter, besides the endless difficulties people were under to suit one another; there was no scale, or measure, by which the proportion of value which goods had to one another, could be ascertained*.

* In a state of barter, there can be but little trade, and few artizans. For want of a ready exchange for their goods, people would look little farther than to get food, and some coarse raiment: The landed men would till only so much land, as sufficed their own families; and to procure them those few rude necessaries, which the country afforded. Hence, without some kind of money, the arts can make no progress; and without the arts, a country cannot flourish or grow populous. Ignorance and idleness will naturally beget trespasses, incroachments, wars and contentions, ever destructive to the growth of people. Does not this account for what we daily see, even amongst nations reckoned polite? And how important is it, that the rulers of the earth should be more liberally educated?

II. MONEY, *what, and whence it arose.*

20. To avoid the great inconveniencies of mere barter, a material or commodity that should be universally accepted in exchange for all other things, was soon agreed upon; and this is what we call * MONEY. As soon

as

* The first step from mere barter to the invention of money, was probably by *pledges* or deposits, which the owner was to redeem. And metals being durable, divisible without loss, and easy of carriage; and having from their usefulness a value set upon them, like other things; men coveted to have metals for their pledges, and some one metal, preferable to the rest; and this desire becoming universal, that metal, from being used as a mere pledge, soon became money. Suppose this metal was silver: “ He who had
 “ more goods than he had occasion for, would chuse to bar-
 “ ter them for silver, though he had no use for it; because
 “ silver would not decay upon his hands, or be of any ex-
 “ pence to him in keeping; and with it he could purchase
 “ other goods as he had occasion, in whole or in part, at
 “ home or abroad; silver being divisible without loss, and
 “ of the same value in different places. *Ex.* If *A* had
 “ 100 sheep, and desired to exchange them for horses: *B*
 “ had 10 horses, which were equal to, or worth the 100
 “ sheep, and was willing to exchange: But *A* not having
 “ present occasion for the horses, rather than be at the ex-
 “ pence of keeping them, he would barter his sheep with *C*,
 “ who had the value to give in silver, with which he could
 “ purchase the horses at the time he had occasion. Or, if
 “ *C* had not silver, but was willing to give his bond for the
 “ silver, or the horses, payable at the time *A* wanted them:
 “ *A* would chuse to take the bond payable in silver, rather
 “ than in horses; because silver was certain in quality, and
 “ horses differed much. So silver was used as the value in
 “ which contracts were made payable.” And thus the
 transitions from *bartering* to *pledging*, and from *pledges* to
money, were very natural and obvious.

The above extract is taken from an ingenious piece, tho’ not free from some grievous mistakes, of the celebrated Mr. *John Law*’s, entitled, *Money and trade considered*, printed at London in 1720.

as this invention became established, men reckoned the value of their goods by money; and the terms *prices*, *buying*, and *selling* came in use; a greater or less quantity of money going to the purchase of all things, in proportion to the respective values which before had been set upon them, as well in respect of that commodity now made money, as of one another.

Thus, MONEY *is a* STANDARD MEASURE, *by which the values of all things, are regulated and ascertained; and is it self, at the same time, the* VALUE or EQUIVALENT, *by which, goods are exchanged, and in which, contracts are made payable.* So that money, is not a pledge, to be afterwards redeemed, but is both an equivalent and a measure; being in all contracts, the very thing usually bargained for, as well as the measure of the bargain: Or, if one thing be bartered for another; the measure of the bargain, is usually the quantity of money, which each of the things bartered, are conceived to be worth.

To illustrate this subject farther, let us suppose *silver* to be that commodity, which was fixed upon as money. Silver had before a known value, from its uses as a metal; and being durable, portable, divisible

without loss, and of equal goodness every where, as will be explained hereafter, was found every way convenient for the purpose of money ; and having been applied to that use, silver received an additional value to that which it had before, as a mere metal, from the greater demand for it thence arising. As soon as silver was made money, it was used, both as the value in which contracts were made payable, and also as the measure, by which goods were valued ; and consequently, of the proportion of value of different goods to one another. Thus, as Mr. *Locke* observes, “ the value of lead to wheat, for
 “ instance, and of either of them to a cer-
 “ tain sort of cloth, is known by the prices
 “ of each, or their value in silver or mo-
 “ ney. As if a yard of cloth be worth or
 “ sells for half an ounce of silver, a bushel
 “ of wheat for one ounce, and a hundred
 “ weight of lead for two ounces ; any one
 “ presently sees and says, that a bushel of
 “ wheat is double the value of a yard of
 “ that cloth, and but half the value of an
 “ hundred weight of lead.” And accord-
 ing to these proportions, any quantity of the
 above commodities will exchange, either
 for money, or for one another. So that, as
 before observed, money is always the stan-
 dard

dard that * measures the values of commodities ; and, most commonly, is also what is given for them, or the equivalent with or for which they are purchased.

How money differs from other measures, and also from commodities.

21. In the idea of money, the quality of the material is supposed to be unchangeable, and to be universally or every where the same : And therefore, the material being once fixed or agreed upon ; all that is to be included in the idea of money, is the quantity only of that material, as in other standard measures, whether of weight or extension : And the only essential difference betwixt them, is this ; that money is not only a measure, but also an equivalent, and as such passes from one to another ; whilst other

D 4 measures,

* In like manner, money is used as the measure by which goods to be delivered in different places, are valued. *Ex.* If a piece of wine was to be delivered at *London* by *A*, merchant there, to the order of *B*, vintner at *Brecknock* ; and the value to be delivered in butter at *Brecknock*, by *B* to the order of *A*. The wine is not to be valued by the quantity of butter it is worth at *London*, nor the butter by the quantity of wine it is worth at *Brecknock*. The way to know what quantity of butter is equal to the wine, is, by the quantity of money, each is worth at the places where they are to be delivered : Thus, supposing as before, silver to be money ; if the piece of wine be worth at *London* 20 ounces of silver, and 20 ounces of silver be worth 24 stones of butter at *Brecknock* ; then 24 stones is the quantity of butter to be given there, in return for the wine.

measures, may rest indifferently in the buyer's or seller's, or a third person's hands, it matters not whose they be.

Money also differs from all commodities in this, that, as such, its value is permanent or unalterable; that is, money being the measure of the values of all other things, and that, like all other standard measures, by its quantity only; its own value is to be deemed invariable: And all contracts or engagements, are to be deemed fully discharged and satisfied, by the payment of the specific quantity or sum of money, agreed upon; without having any regard to the value of money, with respect to other things, at the different times of contracting and discharging of debts.

This is a fundamental characteristic of money, without which, it would lose its use as such; nor can money, with any propriety, be considered as being subject to vary in its value, without referring it to something else as a standard; and thereby, departing from its use as money, and making it a mere commodity.

*Of some requisite properties in the material
of money.*

22. That money may continue in esteem, and preserve the public estimation, as an
equi-

equivalent, and a standard measure; it is necessary that it be made of a material or commodity, which is not too common, not too cheap or bulky, not growing spontaneously, or to be found without a valuable consideration in labour or land; not very subject to be consumed with use, or to be spoiled for the want of use, nor subject to expence in keeping. For money, like other things, whatever pains may be taken to shew, or some may think to the contrary; will soon find a value, in proportion to the labour and skill, that are necessary to acquire it; or in a reciprocal proportion to its plenty. Though we reckon by money; yet labour and skill, are the main * standards, by which, the values of all or most things are ultimately ascertained; and there will require a greater or less bulk of money, to purchase the very same thing, according as there is a greater or less quantity of money in circulation; that is, according as the material of money is cheaper or dearer, or in greater or lesser plenty.

The use of money is very general, as well as antient; and many poor states, that had scarce any arts or traffic amongst them, had
yet

* Art. 7.

yet a sort of money. In some parts of *Africa*, the small shells called by us *couries*, passed as money; and in some other parts of that barbarous continent, *salt*, being very scarce, and therefore much valued, was used as money: In the one place, a certain number of shells; and in the other, a certain measure or weight of salt; going to the purchase of such and such a commodity. But among trading and polite nations, such common materials or commodities, would not do for money; their money must be such as hath an intrinsic value, and thence, an universal esteem among those they traffic with.

A nation secluded from the rest of the world, might indeed, fall upon various methods of supplying the use of money: And we see that some of our plantations, make a shift without any money, properly so called; using only bits of stamped paper, of no real value. But, wherever that material, which passeth as or instead of money, hath no intrinsic value, arising from its usefulness, scarcity, and necessary expence of labour in procuring it; there, private property will be precarious; and so long as that continues to be the case, it will be next to impossible for such people, to arrive

rive at any great degree of power and splendor*.

Metals, the fittest materials of money.

23. For the purpose of universal commerce, metals seem the fittest materials for a standard measure, or *money*; as *copper*, *silver*, or *gold*; they having all the properties above required: They are moreover divisible into minute parts, which parts retain nevertheless an intrinsic value, in proportion to their quantity or weight; because those parts may, without injuring the metal, be again united together into a greater mass. These metals are durable, and also susceptible

* There is a very wide and essential difference, betwixt money and bills: The one, having an intrinsic value, is in all contracts and dealings, the equivalent, as well as the measure. Bills are nothing, but mere promises or obligations of payment: And even public bills, for such only usually pass as money, have only a local credit, being limited to the territories of the state that issued them; and depending merely upon their faith, those that are in private hands are, to say no worse, subject every day to be debased by the creation of more new bills. For bills, whilst they pass as money, partake so far of its nature, that the more, or for a greater sum, there are of them in currency, the less will be the value of any given bill, or a bill for a given sum.

Some of our plantations, have severely felt the ill effects of those weak, unjust and destructive measures, of increasing the quantities of bills; whilst the *Philadelphians*, by keeping sacredly to a certain number or sum total of bills, have not only preserved their credit amongst themselves; but even extended it, to some of the neighbouring provinces; where, I am informed, a *Philadelphian* bill will fetch more than one of their own, made for the same or a like sum.

susceptible of any form, mark, or impression; and are convertible from money or coins, into utensils of various kinds; and from these, into money again. These properties are what give money, which is generally made of one or other of the above metals, a real and intrinsic value. There is scarce room to imagine, that money, made of a material good for no other purpose, would long continue in esteem, as such; the usefulness and scarcity of the materials, are both considered in the common estimation of money.

Base metals not fit materials of money.

24. Again, it is requisite that that metal which is made money, or the standard measure of commerce, should be either of equal goodness every where, according to its quantity or weight; or, that there should be some certain criterion, by which might be ascertained, the true proportional value of any given mass of that metal, when compared with any other given mass of the same metal. Money cannot be a proper or exact measure of the values of other things, if its own value is questionable; for if it could be doubted, whether my ounce of money, be precisely of the same value with
any