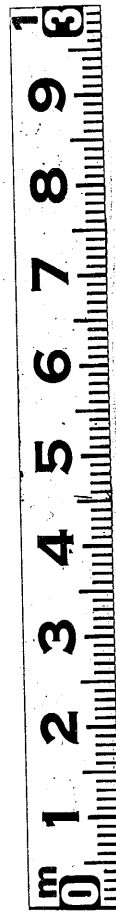


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THE
ANALYSIS
OF
TRADE, } BANKS,
COMMERCE, } AND
COIN, } FOREIGN EX-
BULLION, } CHANGES.

WHEREIN

The true Principles of this useful Knowledge are fully
but briefly laid down and explained, to give a
clear Idea of their happy Consequences
to Society, when well regulated.

Taken chiefly from a Manuscript of a very ingenious
Gentleman deceas'd, and adapted to the present
Situation of our Trade and Commerce.

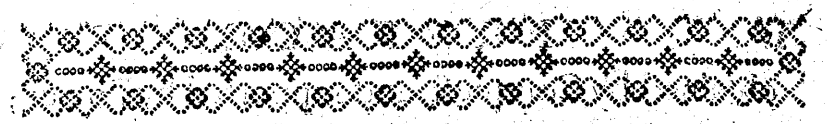
By PHILIP CANTILLON,
Late of the City of LONDON, Merchant.

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MDCCLIX.

[Price Five Shillings.]



P R E F A C E.

THE mutual Want which Mankind have of each other, and the necessary Dependance they have on each other, is the Origin of Trade, or Barter. The tilling of the Earth, and the feeding of Flocks, was the first Labour Men employed themselves in; and 'tis probable that this Labour, at first, extended itself no farther than what was sufficient to supply the necessary Support of Life. But, as Mankind increased and multiplied, they dispersed themselves in different Parts of the Globe; and, by Degrees, as they further increased, Ambition, and the Desire of Power, crept in among them; the stronger began to invade the weaker; and the forcible Acquisitions obtained by the Conquerors could only be maintained by further Oppression and Violence. This gave Birth to Submission, and this Submission is the Origin of all Government; for it does not appear to me, that the all good and gracious Providence gave the Right of Possession to one Man more than to another: The Inequality of Possessions was

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obtained by Conquest, and supported by Power; and the Conquerors instituted Laws and Rules for the good Government of Society, to which the Conquered were, under the severest Penalties, obliged to submit: Villages, Towns, and Cities were established; and Men associated together, and by Labour and Tilling the Earth supplied from thence the necessary Wants of themselves and Superiors. But though the Earth abounds with every Variety for the happy Support of human Life, yet it spontaneously gives little or nothing ready fitted for our Use: Every Thing in this World is purchased by Labour, and the gratifying and indulging our Appetites and Passions is the Cause of Labour: Mankind increasing their Species to a greater Multitude than the Capacity of their native Land could support; this obliged the surplus Number to seek Subsistence elsewhere, and this was done either by Conquest or Commerce. The Views of Man being thus extended, Labour was no longer limited and confined to the bare Provisions for the Necessaries of Life: Foreign Aids and Assistance must be acquired and brought in, to indulge the Appetites and please the Taste of those whose Possessions intitled them to live at Ease and in Plenty: The Support, and the supplying
the

P R E F A C E.

v
the luxuriant Appetite of Man, gave Birth to foreign Trade; foreign Trade supplies the Wants of one Country with the Superfluities of another: The Profit attending this Species of Commerce was so great, that Men disregarded the Risk they ran, or the Hardships and Inconvenience they suffered and underwent, when they considered that this Species of Commerce conducted them to the high Road of Riches and Preferment.

THERE are but Two Methods in Nature, by which Nations become powerful and great, the one is by the Force of Arms, and the other by foreign Commerce. The Respect (as the Author of the UNIVERSAL MERCHANT observes) which the latter creates is very different from that which Conquest excites. Commerce makes all we negotiate with our Friends; Conquest, those we conquer, our Enemies. The first addresses us with a bounteous Benevolence, the last with a forced Submission; and while the one enriches us with a fixed and lasting Reputation, the other gives an imaginary and impermanent Fame. The Grandeur of a Kingdom and the Happiness of its Subjects depend, in a great measure, on a well-regulated foreign Commerce;
and

P R E F A C E.

and a State never makes a better Figure than when all its Hands are employed in the Service of the Public, either in Armies and Fleets, to increase the Dominion of the State and its Fame abroad; or else by Labour at home to increase its domestic Riches, from the Consequence of foreign Commerce, which introduces Industry, Arts, and Trade: But the Power of a State raised by the Sword is founded on Cruelty, Blood, and Defolation; and the greatest Dominions thus acquired, could in the End be only supported and stand, from and by the Aid and Assistance they receive from Commerce; as I shall shew in the Sequel of this Discourse, in the Instance of the *Romans* and *Egyptians*. Conquerors would soon languish and perish with the Conquered, had not the former, as the Scripture most elegantly expresses it, converted their Swords into Ploughshares.

THE Experience of all Times shews us, that States and Kingdoms do not rightly understand their own or the Happiness of their People, when they neglect making use of every possible Means that can be devised to encourage foreign Commerce, by which Bullion

P R E F A C E.

lion is acquired, and of which Coin is made, which purchases all Things.

THE *Phenicians* are the first People we have any authentic Account of, who made any great Figure, by the Consequence ever attending a well-regulated Trade: These People occupied a certain Border of the Sea-Coast, and their Capital, *Tyre*, was built on an ungrateful barren Soil; but this Defect was made up to them, by the excellent Ports on the Coasts of their little State, particularly their Capital. They were inspired by their happy Genius, which shewed them how to profit of this Situation. *Lebanon* and other neighbouring Forests furnished them with excellent Timber for building Ships; their Fleets were numerous, their People multiplied beyond Conception, and the Desire of Gain drew Multitudes of Strangers to their City. They established many Colonies, particularly the famous *Carthage*. In short, *Tyre* grew by Trade and Navigation to such a Height of Glory and Power, that in Scripture she is called the City of all Nations, the Center of all Commerce, the Queen of Cities, whereof their Merchants are Princes, and which has for Traders the most illustrious Persons

Persons of the Earth. Such was the ancient *Tyre*, when she fell under the Arms of *Babylon*, after a Siege of thirteen Years, the long Continuance of which gave these People time to prepare for the Worst, by fortifying a neighbouring Island, to which their Merchants retired with their Stores and Merchandize, and there established their Marine Force; so that the taking of their first City, did not destroy the Empire of the Sea, nor the Reputation of their Commerce. In this new City, they dared to resist *Alexander* the Great in his rapid Conquest of *Asia*, and had like to have interrupted the Course of his rapacious, though successful Progress; and he in Revenge of their Temerity, destroyed their City, and removed its Marine to a new City built by himself called *Alexandria*, which he intended for the Capital of *Asia*.

Carthage, a *Tyrian* Colony, became great by the Ruin of their Mother City, and the Inhabitants by Commerce raised themselves to a Condition of disputing the Empire of the World with *Rome*; but their very unhappy Disposition for Conquest, drained their City of Inhabitants; their Fleets accustomed to carry Merchandize, were loaded with military Men

Men and warlike Stores, and their wise and most fortunate Merchants turned Chiefs and Generals of Armies; their Commerce was neglected, and in process of Time they themselves became a Sacrifice to their own mistaken Ambition; which ever will be the Case of all commercial Nations; who, further than the Preservation of their own Rights and Liberties, take it into their Heads to vie with and intermeddle in the Affairs of other Nations, whose chief Commerce and Means of growing rich is the Sword.

Alexandria succeeded next to make a Figure by Trade; the Happiness of her Situation gave her free Communication with *Asia* and all the East by the *Red Sea*; The *Nile* gave her Entrance into that vast and rich Country of *Ethiopia*; the Trade of *Africa* and *Europe* was open to her by the *Mediterranean*; she had the interior Commerce of *Egypt*. This happy Situation made *Alexandria* the Depository of all Merchandize, spread its Fame and Riches throughout all the known World, and placed her Kings in a Situation to support themselves for more than an Age against the *Roman* Power: to which, by giving themselves up to a vicious Luxury, by abandoning

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the Principles of Morality, they were at last obliged to submit: But the fierce *Romans* had the Wisdom to foresee that the Resources which they found in the Spoil and Plunder of Nations, must by length of Time fail them; and very wisely determined to support and nourish the Commerce of *Egypt*, as a future Resource of Riches capable to maintain the Reputation of their Empire, established by Conquest, Desolation, and the Ruin of other Nations: Therefore they established there a *Roman* Colony, and for its Government fixed Laws and Rules, which to this Day are in Force, with regard to Shipping, in several Parts of the *Mediterranean*. *Alexandria* becoming thus *Roman*, was little inferior to her Mistress *Rome* herself, whose Magazines and Stores were filled by *Alexandria*, all *Italy* was supported by the Corn and other Provisions and Merchandize imported into it by the *Egyptian* Fleets. The wise and wholesome Protection afforded to *Alexandria* by the *Roman* People, invited and encouraged Foreigners to reside and settle among them: Their Commerce extended into *Gaul*, where *Marseilles*, the ancient Ally of *Rome*, celebrated for its Antiquity, the Wisdom of its Laws, the Arts and Sciences taught in its Schools, was principally

pally indebted to Trade for all these Advantages. Many other Cities of *Gaul* followed the Example of *Marseilles*, and cultivated Commerce, by which they acquired great Riches, and consequently had great Influence in the World.

THIS short Account of ancient Commerce affords some amazing Prospects, and the Continuation of this historial Account down to modern Times, may be no less interesting.

THE Fall of the *Roman* Empire overwhelmed all those who had become its Subjects; the Inundation of the Barbarians was as fatal to Commerce as to Arts and Sciences: the Traffic of these People consisted only in the Spoil of the Vanquished, and the Plunder of all the Towns and Cities of the Empire; but after the bravest and most fortunate of the Barbarians had formed Monarchies, such as the *Franks* in *Gaul*, the *Goths* in *Spain*, and the *Lombards* in *Italy*, they soon learned from those they overcame, and with whom they intermarried, the Advantages arising from Trade. In length of Time, some of these People became so expert in the Art of negotiating and Commerce, as to be able to dictate

and lay down Rules to others for their Guide ; it is to the *Lombards* we are indebted for many useful Inventions, such as the Invention of keeping Accounts by the double Entry, Banks, Exchanges, &c. It is some of the People of *Italy*, particularly those of *Venice* and *Genoa*, to whom we owe the Revival of Commerce ; it is to Commerce these two Cities owe their Greatness and Power. It would be inconsistent with the Design of an Abstract, to give particular Instances of what these two Republics, by the immense Wealth they have acquired by Trade, have been able to perform : History is full of them ; and about the Time of the Revival of Commerce in *Italy*, a Society of Merchants associated together in a Body, commonly called the Association of the *Hanse Towns*, which at first was composed but of a few Towns, situated in the *Baltic* Sea, but they brought Trade to all the Perfection it at that Time was capable of. Their Reputation and Force increasing from their Acquisition of Riches gained by Traffic, tempting the great Cities of many Parts of *Europe* to engage with them, by which means their Power and Riches grew to that amazing height, as to have Presumption to declare War against Kings, whose principal Towns were

were interested in their common Stock of Trade, and each of them obliged their Subjects to withdraw their several Sums, thus put into this Community, which reduced it within its primitive Bounds ; yet it continues and remains of so much Consequence, as to make Treaties and Alliances with Princes and States, and they send Deputies to the ordinary and extraordinary Assemblies held for the common Interest of the Association ; their principal Towns are *Lubeck*, *Hamburgh*, *Bremen*, *Rostock*, *Brunswick*, and *Cologne*.

It is to Commerce that the *Dutch* are indebted for the immense Riches they have acquired ; and the great Strength and Figure in which they have so often appeared, is owing to their Labour and Industry. Their Riches were so great, as to raise them from a very low State, to a State equal to Princes and Sovereigns, and to make them the Mediators of their Differences. This Country in itself produces little or nothing ; it is without Forests, no Vines grow there, and little Corn ; yet it is at their Markets you will find the Produce of the whole World ; it is a Magazine for Wine, Brandy and Corn ; it would seem that the Produce of the whole

World grew there, and all owing to a well nourished and regulated Commerce, their paying little or no Duties on their Imports, the Cheapness of their Navigation, and their chief Revenue laid on luxurious Consumption; all are Examples, and worthy of Imitation in other Nations! Many Instances more may be given of the great Happiness arising to Countries from a well regulated Trade, and a well nourished Industry.

It is impracticable to oblige People to a Continuance of Labour by Force; but convince them that they are to enjoy the Fruits of their Labour unmolested, and be protected by equal and universal Justice in the Possession thereof; this will raise a Spirit and a Desire in them to acquire the Product of other People's Labour, in Exchange of which their own must be given: This creates an Ambition, and even a Necessity in them to exert that Spirit; and it is from this Source the Mechanic, as also the liberal Arts and Sciences, take their Birth and diffuse themselves through the Whole of the Society. Where Industry is cherished, it is there the Farmer will give his whole Time and Application to a proper Cultivation of the Land, in order to produce more than

than is barely necessary for the Maintenance of himself and Family; it is there the Tradesman and Merchant acquire a Share of Property, which intitles them to Independency, and enables them to exert that Right which the Law of Nature has given to all Men, of insisting and demanding from their Superiors to be governed by equal and just Laws; to resist Oppression and Tyranny wherever it is practised, and to prevent the Community's being governed by the arbitrary Will of one or more Persons, instead of that known and general Rule of Justice which Nature has laid down for the Protection of the lowest as well as the highest of the Society. A Society enjoying just Freedom and equal Laws for its Protection, has nothing to fear from its ambitious Neighbours: Freedom inspires the Individuals of a free State with a public Spirit equal to every thing in *Roman* or *Grecian* History. These are the great Advantages resulting to a Nation from a well-regulated Trade, and are of such Consequence as to convince Gentlemen of Power and Influence, that no Study is more worthy of their Time, than that of finding out Ways and Means to reform the Abuses crept in amongst us, with respect to our Commerce.

P R E F A C E.

THE weak Attempt I make in the following Essays, is to convey a general Idea of Trade, and its Influence upon and Consequence to the Society. This I attempt by tracing it to its original Source, and stripping it of that Mystery in which most People, who have wrote on this Subject have disguised it; wishing most sincerely that what I say may raise in Gentlemen of Power and Influence a Spirit to take this Matter into their serious Consideration; and by reforming the Abuses crept into the Commerce of this Country, to prevent the inexpressible Misfortune which must attend Posterity by the Loss of Trade, which when once gone is seldom or never to be regained.

BUT before I conclude, I imagine it will not be displeasing to take a short View of what this flourishing Nation of *England* was before foreign Trade came to her Assistance. We had no Manufactures; Wool indeed we had; Tin and Lead also; which were Sources that brought in great Assistance. The Church and Barons were the great Proprietors of the Land; its Produce unmanufactured was sent Abroad; the Money arising from it was the specie of the Kingdom; and this Money was
after-

P R E F A C E.

afterwards expended on ruinous Expeditions in *France, Flanders, and the Holy Land.*

THE *Hanse* Towns and *Flemings*, in return of our Wool, Lead and Tin, supplied us with the necessary Wants, which the Taste and Manner of Living of the *English* at that Time required; but by the Prudence and Oeconomy of *Henry* the Seventh, and Magnanimity of *Queen Elizabeth* the Face of Things began to change, our People turned Merchants and Artizans; they relished the Sweets of Gain, and supplied their own Wants from Abroad, by building Ships; they abolished their foreign Connections, and boldly set up for themselves.

IN this Country then they carried and wore a new Face; the People encouraged by Commerce began to work for themselves, and not for idle and lordly Masters; innumerable Manufactures were established here: The Commons getting Money got rid of Vassalage, and the slavish Tenure by which Lands were at that time held; and the Lords tasted of the Sweets of the Money received in Consideration of these Tenures. Farmers were enabled to take Lands at a certain stipulated Rate, to be annually paid in Money. The Manufacturer

facturer, encouraged by the Prospect of Gain, redoubled his Industry, he treasured up his Money. The Proprietors of Land pleased with their certain Revenues, grew Luxurious and Expensive, which reduced them to Poverty and Want. Merchants by their Oeconomy were enabled to purchase Lands. The great Proprietors of Land were the Clergy and Barons, who from their Dissipation and Luxury, were obliged to part with their Estates to the Commons, and the Stock in Trade began to be of more Value than that of the Nobility and Gentry taken together. The Trade of *England*, and indeed the Trade of every other Nation, consists of its inland Production consumed at home, its Superfluities exported Abroad, and the Importation of foreign Products; these connected together, find Employment and Subsistence for Millions of Souls; they produce Multitudes of People and bring them together. Compare the Counties in *England* and *Ireland*, where Manufactures are carried on, with the Condition of other Counties, where little or no Trade is: In the first, how infinitely Populous is the Country, how Numerous the Cities, Towns and Villages, how well Cultivated the Lands like unto a Garden: in the other, though there may be no absolute Want of Hands, yet com-

compared with the first, the Cities, Towns and Villages are few and small; in the open Country, here and there a Farm-House and Cottage appears, but nothing like the comfortable Dwellings in the manufacturing Counties, where for Miles together you travel as in one continued Street. In the unemployed Counties, the People are idle and out of Business; in the other, all Hands are at Work, even the Children; and as is the Labour, so is the Living; where Employment is found, there good Plenty, for the Support of Life is had; in one Place they enjoy Life, in the other they barely and poorly subsist. In short the manufacturing Counties are for Business, the unemployed Counties for the Pleasure of Hunting; the first are full of Villages and great Towns, the last of Parks and Forests; the first are stored with People, the last with Game; the Rich and thriving live in the first, the decayed and wasting in the last: Is it not therefore easily to be determined, how deserving of Protection this glorious Source of permanent Riches is to every Body that will give themselves time to think, for their own and Posterity's Happiness?

E R R A T A.

Page 15. Chap. vii. Line 2. Dele *than*. P. 160. Chap. viii.
 L. 1. for *Same* read *Some*. P. 35. L. 3. read *and* instead
 of *an*. Page 41. L. 9. read *is* instead of *as*. Page 59.
 L. 7. read *Spain and Portugal*; instead of, *Spain to Portugal*.
 P. 67. L. 17. read *a Decrease* instead of *Increase*. P. 74.
 L. 14. read *from me* instead of *it is*. P. 147. L. 7. read
Natives instead of *Nations*. P. 195. L. 12. read *reflect*
 instead of *respect*.



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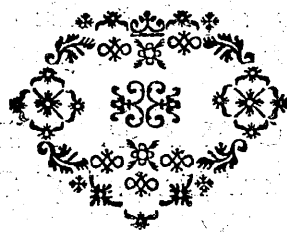
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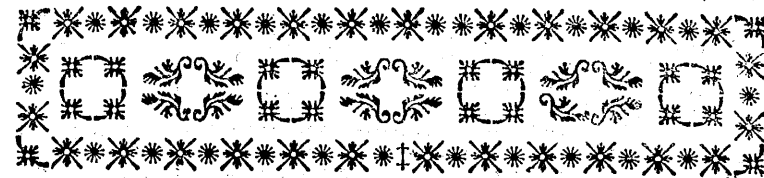
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T H E



T H E
A N A L Y S I S
O F
T R A D E , C O M M E R C E , & C .

C H A P. I.

R I C H E S .

TH E Earth is the Source or Matter from whence all Riches are produced; the Maintenance, Convenience and Superfluities of Life are properly speaking real Riches, Labour the first, and Industry the second Means, of obtaining them.

LAND produces Herbage for all Sorts of Cattle, Corn, Flax, Timber, Coals, Mines
B of

2 The A N A L Y S I S of
of Gold and Silver, Minerals, Mulberry-Trees; in short, every Variety to support the human Creation and to indulge their Appetites.

IT is true the Seas abound with Fish, the Rivers and Seas belong to the adjoining Lands, Labour produces them to Light.

THAT Labour and Industry employed in cultivating the Earth is the greatest of all worldly Advantages, the Laws which encourage the Farmer and the Husbandman are the best of all Institutions; in whatever Country this Encouragement is given, and the Means of Subsistence afforded, thither People will flock, and become useful and good Subjects, and by their Labour and Industry bring in a Flow of Riches.

POWER and Government were obtained by the superior Force of Genius in the first Founder, or by the Power of the Sword; its Solidity and Duration is not to be depended upon further than the Interest, Love and Fidelity of the Subjects carry them.

THE Success and Stability of unjust Acquisitions are but of short Duration, except there
is

TRADE, COMMERCE, &c. 3
is a very strong Mixture of political Virtue to support them.

OLIVER CROMWELL is an Instance of the great Power and Efficacy of political Virtue. This great but wicked Man, finished the Course of his Career in Peace; but consider him when he arrived at the Summit of all his Glory, vindicating the Honour and Reputation of his Country, procuring Redress and Satisfaction from foreign Nations, for Depredations committed on his new acquired Subjects, the great Protector of the Trade and Commerce of *England* and its Colonies, the Conqueror of *Ireland* and *Scotland*, the Possessor of *Dunkirk*, the Terror of *France* and *Holland*, the Scourge of *Spain* and *Portugal*, the Author of the Art of Navigation: I say, view this surprising Man in this Light he must be seen in a Point of View supporting his Dignity by Actions worthy of the greatest Heroes, dying poor though Master of the Lives and Fortunes of his own Subjects, commanding their Submission and Obedience and the Admiration of all *Europe*.

JUSTICE, Generosity, and Humanity are the Rudders by which all Government ought
B 2 to

4 The ANALYSIS of
to steer; these Principles command, nay even
extort the Subjects Love and Obedience.

THE equal Ballance of Power between
King and People ought to be most religiously
observed. If the Honour, Dignity, and Prero-
gative of the Crown are broke in upon,
Anarchy and Confusion are the certain Con-
sequences.

THE greater Number of People in a State,
in respect to other Countries, add superior
Force and Respect to a Kingdom; an Age
would carry Population to an almost incre-
dible Series of Increase, if the Means of Sub-
sistence are allotted to People and to their Pos-
terity: this Support and Maintenance depends
on our great Proprietors of Land, and it is to
these Gentlemen the Consideration of this
Matter is referred, on them depend the In-
crease and Decrease of Population, being the
Possessors of Land, the Source and Matter
from whence all Riches are produced.

I am of Opinion that our Northern Colo-
nies in *America* will in the Course of one
hundred Years be in a three-fold Proportion
better inhabited than their Mother Country,
and

TRADE, COMMERCE, &c. 5

and that arising from the Means allotted to
Men to support themselves and Posterity, in
the Grants daily given them of Land, the En-
couragement of clearing it, and the different
Manner, Taste, and Luxury of the Inha-
bitants.

THE Justice due from a Sovereign to his
Subjects is Protection against the Enemies of
his Country, and the Administration of im-
partial Justice, by just and equal Laws. The
Duty of the Subject is respectful Love and
Submission; this reciprocal Duty between
King and People ought to extend impartially
from the Seat of Monarchy to its most distant
Limits: the Prince pays his immediate At-
endants about his Person, his Army, and
great Ministers of State, the People pay the
Taxes laid on them to support this Grandeur
and Expence. The greater the Number of
People are, where the Means of Subsistence
are allotted to them and their Posterity, the
greater Riches are, and the greater the Prince's
Revenue must be, and from the Number of
Inhabitants to be employed the cheaper La-
bour will be.

CHAP. II.

How States may be formed.

WITHOUT examining by what Manner Societies or States were formed in the patriarchal Time, of which our Information, with regard to Riches, is very obscure, it will answer my Purpose to suppose, (what may very naturally happen) that a Prince or Conqueror at the Head of his Forces had subdued a large Country, and distributed the Lands thereof to his Favourites and Followers, according to their Merit or his Fancy, upon Conditions and Laws between Prince and People, the due Observance of which would intitle the said Lands to descend in a regular Course from Generation to Generation. In this Situation, it is natural to suppose the Proprietor of such Lands would at his own proper Charge cultivate them himself, for his own and Family's Advantage; or else he would let them out on Leases to Farmers, in order to have a certain yearly Revenue; such Farmer must retain so much out of the Produce of his Land as would suffice to maintain himself and Family; the Re-
 remainder

mainder must go to the Landlord, and he out of this Revenue must give to his Prince what the Laws of the Community charge him with, to support the Dignity of the State. This Land will be employed and cultivated, to produce that which answers most to the Taste and Manner of Living of the Times; and the Consumption of this Produce is proportioned to the Demand there is for it; and its Value is ascertained by the Value of the Land, and the Value of the Labour necessarily had for this Produce. Let it be supposed, that at the Time of this Conquest the Lands of the Country were equally distributed amongst the Conquerors; this Distribution would not prevent but that in Time these Lands would become the Property of a few Men of Cunning: Art and Oeconomy will acquire the Property of the Unthrifty; these last fall into Want and Dependance; some die without Children, and leave their Substance as they think proper; others leave many Children, and leave their Effects to be divided amongst them: so that by degrees Land comes to be possessed by a few Persons, in proportion to the whole Community.

AT the first Establishment of *Rome* each Citizen had but two Acres of Land allotted to him, which he was obliged to cultivate for his Subsistence; yet in Proceſs of Time, by the Diſpoſition of ſome, the Want of Oeconomy in others, great Inequality aroſe in ſuch Poſſeſſions; great Poſſeſſions begat Nobility, and Power is the certain Conſequence of great Property in Land.

C H A P. III.

How Villages may be ſettled.

TO whatever Cultivation Land is put, whether Paſture, Arable, &c. Labourers and Farmers, who undertake to occupy it, ought neceſſarily to live together near the Place of their Work; otherwiſe the Time taken in going and coming to and from their Fields, would take up moſt of the Day; ſo that the Neceſſity of eſtabliſhing Villages in ſeveral Parts of the Country, is eaſily perceived. The Largeneſs of Villages is naturally proportioned to the Number of Hands wanting for the daily Culture of the Lands in their Neighbourhood: if the Lands are only
proper

proper for maintaining Sheep and black Cattle, few Hands are required. Villages in ſuch Countries will be ſcarce, and leſs inhabited, and the Number of Inhabitants in all well cultivated Countries is proportioned to the different kind of Labour neceſſary for bringing the Produce of Land into Uſe and Conſumption.

C H A P. IV.

How Market-Towns may be eſtabliſhed.

IN Countries where Villages are ſettled, there are by the Intereſt of ſome conſiderable Proprietors of the Land, Charters obtained for holding once or twice a Week Markets; the Places where Markets are kept or held, are called Market Towns; at which Places People meet, and thoſe of middling Fortunes find their Convenience to reſide in, not having Subſtance ſufficient to ſupport the Expence of Cities; and in ſuch Towns there are generally eſtabliſhed Shopkeepers, Factors, and Retailers, who exchange the Goods and Merchandize of Cities for the Produce of the Land, with the Inhabitants of the ſeveral Vil-
lages

lages in the Neighbourhood. The Chapmen who make it their Business to buy the Produce of the Farmers Industry, assemble once or twice a Week at these Market Towns, to which Places it is more natural, that Farmers should bring the Produce of the Land, as being a certain Market or Place to find Vent, than that Chapmen should go about the Country, where they could not well agree for the Purchase of what they wanted: The Market being the Centre where the Produce of the Land is proportioned to the Demand, and where the Prices of each particular Species of Goods is determined and fixed for that Day, by the different Movements of the Buyers and Sellers at Market, and the Money in the Hands of such Buyers, and its Want to the Sellers. From the Manner in which Towns may be established, may be seen how the several Parts of the Community are connected together, the mutual Dependance of each Individual on the Whole, and how Trade nourishes each other; let it be supposed that a certain District of Land is granted by the King to fifty Persons, on Condition that each of them bring in a Stock of three hundred Pounds, and there settle; to each of these Farmers there is granted three hundred Acres
of

of Virgin-Land, good in Nature and well cleared, besides a Grant of Timber and other Materials for building Houses, Barns, Stables, and other Out-Houses at the King's Expence, and Rent-free for fifty Years, but on Condition that at the Expiration of that Time these Lands shall return to the Crown, or a certain stipulated Rent be paid yearly for them.

THUS fifty Farmers with their Families may be brought together to live within themselves, in a kind of Circle, with every one a good Farm to manage Rent-free; their Houses erected at the Extremities of their respective Farms, so as towards the Centre to leave a large Piece of Ground, which was reserved to the Crown for building a Town; and a public Proclamation is made, that whosoever should come and build on that vacant Ground, should have a certain Proportion thereof, according to the Size of the House he should build, as also for an Orchard and Garden, also Timber and other Materials for his building, all Rent-free and at the Crown's Expence, but all upon the Conditions and Stipulations before mentioned. The Farmers with their Wives, Children, and Servants, being first established, this would naturally invite two, three, or more Butchers
to

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 to set up among them, to supply Meat; two
 or more Barbers, two or more Taylors, two
 or more Blacksmiths, two or more Bakers;
 some Wheelwrights, one or two Ironmongers,
 a Shoemaker or two, as many Coblers, a
 Collar-maker or two, a Glover, a Rope-
 maker, two or three Master Carpenters with
 their Journeymen and Servants, eight or ten
 Lawyers; two or three Master Bricklayers with
 their Journeymen and Servants. A Town
 thus established, many other Trades would
 come to reside there; the Church would have
 a Place of Worship; all which prove that the
 Concourse of Tradesmen follow the Concourse
 of People; the Grocer, the Haberdasher of
 Hats, the Draper and Milliner, would pay it
 a Visit, and there finding Encouragement,
 and a Probability of Sale for their Goods,
 would build or take Houses. and settle there.
 A Market would be established for once or
 twice a Week, and a Fair for once or twice
 a Year; and thus People would Trade. Trade
 builds Towns, and produces every temporal
 Good and Advantage to a Kingdom if rightly
 applied.

CHAP.

CHAP. V.

How Cities may be established.

AS People of middling Fortunes take up
 their Residence in Market Towns, so
 those who have the Means of living with Ease
 and Splendor, generally fix together for the
 Pleasure and Advantage of an agreeable So-
 ciety. These Places where People of large
 Fortunes reside, are called Cities; there the
 Rich govern, and Markets are daily kept for
 the Convenience of the Rich, to supply not
 only their Necessities, but also their Luxury
 and Grandeur. Encouragement is given to
 all Sorts of Manufacturers and Artizans to
 come and reside there, whose Numbers are
 proportioned to the Necessities of the Rich,
 their Taste for Luxury and Extravagance; and
 the Price of things is governed by the Money
 which the Rich have to support or squander
 away in their Riot, Luxury and Extravagance.
 The Polity or civil Government which is ne-
 cessary in a large Community or Society, is
 found in Cities, as also the Administration of
 Justice: where this is established, thither Peo-
 ple of all Ranks resort in order to have them-
 selves

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 selves righted by the Laws of the State, when
 aggrieved by any body with whom they had
 Dealings; it is from thence, particular Magis-
 trates take their Progress to the different Parts
 of the Kingdom, for the Ease and Conveni-
 ence of its respective Inhabitants, in order to
 administer Justice in pursuance of the established
 and known Laws of the Land. Cities ought
 to be built near Rivers for the Convenience of
 Water-carriage; it is there the Produce of the
 Land for many Miles about, is consumed.
 The Grandeur and Riches of a City are pro-
 portioned to the Proprietors of large Fortunes,
 who reside there; except in Cities where con-
 siderable Manufactures are established, and
 where more Goods are fabricated than what
 are consumed by the Inhabitants, in order to
 be exported abroad.

C H A P. VI.

How a Capital City may be established.

A Capital City is of the same Nature with
 another City, except that the Prince
 or supreme Magistrate resides and spends his
 Revenue there; it is there the last Appeal to
 Justice

Justice is found, and where the Rich, and
 most powerful of the State assemble. It is at
 the Capital of a Kingdom, that the Modes
 and Fashions of Living and Dress are shewn,
 and from thence followed and imitated by the
 rest of the Community; it has been found
 by Experience that a Prince retiring from his
 Capital to reside elsewhere, has impoverished
 the Capital, and enriched the Place he went
 to, for the Train and Number of rich People
 who must follow the Prince's Court is so great,
 that the Expence which was formerly laid out
 at the Capital, must in this Case, be laid out
 elsewhere, and which, by so much, must
 impoverish the Capital and enrich that Place
 where the Court is kept.

C H A P. VII.

*The Labour of the Plowman is of less Value,
 than that of the Handicrafts-Man, and
 the Reason why it is so.*

THE Son of a Husbandman at seven
 Years of Age, begins to help his Fa-
 ther, either as a Shepherd to attend his Flocks,
 the Plough, or any other Country Business,
 which

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 which does not require Ingenuity or Art. If the Farmer puts his Son out to a Trade, he loses his Assistance all the Time of his Apprenticeship, and is necessitated to cloath him, and perhaps obliged to advance some Money to his Master for teaching him his Trade; therefore it is natural for the Farmer to expect that his Son has a moral Certainty, by his Work at the Trade he is put to, of Earning more Money than he would be able to get by following the Plough, or other Country Business; and the more so, as the true Computation of the Life of Man is no more than ten to twelve Years Purchase. This is the Reason why the Handicrafts-Man ought, and in Fact does earn more than the Country Ploughman and Labourer: Money and Time must be had to learn a Trade.

C H A P. VIII.

Some Handicrafts-Men in certain Trades, earn more than others, according to the Circumstances of the Times.

SUPPOSE two Tradesmen of the same Business living in a Village, of whom one dies; the Survivor will have more than usual Business,

Business, until such Time as the Inhabitants find their Account in going to the next Village to accommodate themselves, or until some other Person of the same Trade comes to settle in the same Village, to divide the Custom. Trades which require more Ingenuity and Time in attaining, earn in proportion more Wages. If one Artist works better and more in Taste than another, he certainly ought, and will be better paid for his Work; and this extraordinary Gratification creates a Desire in others to excel in their different Branches of Industry.

I have often thought, and still do think, that with respect to the whole Community of any Kingdom or State, the exclusive Charters granted to Cities and Corporations, that nobody but such as are free, or have served their Time in such and such Cities, or purchase their Freedom, shall have Leave to exercise the Excellency of the Improvement they have acquired by Labour, Study, and Pains in the several Branches of their Arts: I say, I have always looked upon those kind of Charters as Prohibitions and Bars to Ingenuity and Art; all ought to be free to the industrious and ingenious Artists, as it is in the learned World
 C with

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 with Arts and Sciences; it matters not there,
 whether this or that Person studied at *Oxford*,
Cambridge, *Rome*, *Geneva*, *Salamanca*, or the
Sorbonne: the Question among the Learned is,
 not the Country or Univerfity, but the Excel-
 lency of Genius in the Science and Learning
 of the Profeffor: fo it ought to be with the
 Artift and Artizan, no matter what Country
 or Religion he is of; but as this is an Abuse
 that is in a manner fanctified by Time, I am
 afraid a pofitive Law for its Reformation would
 occafion great Clamour; but there is ftill a
 Remedy, (which, except thofe who are im-
 mediately concerned in dividing the Loaves and
 Fifhes of each Corporation, would meet with an
 univerfal Concurrence) and that is, that a
 Committee may be appointed by Law, to take
 an Account of the Revenues of each Corpo-
 ration in the Kingdom, and particularly of the
 large Sums yearly fpent by the Mayors, Al-
 dermen, Sheriffs, Mafters, &c. of each Cor-
 poration, in unneceffary Feafting; and that
 fuch Sums of unneceffary Money fo fpent
 fhould be applied to the Maintenance of the
 Poor of each City and Country adjacent. A
 Law of this Sort would filence the impetuous
 Roaring of the fat Aldermen and Common
 Councilmen, who rather than be deprived,
 of

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 of their fat Haunches of Venifon, green
 Geefe, Turkey-Polts, Pheafants, Partridges,
 &c. which they have at the public Ex-
 pence, would readily confent that the
 Freedom of each Corporation fhould be
 granted without Fee or Reward; and this
 would create a Spirit of Emulation in Artifts
 and Artizans to excel in their different
 Trades; as Praife near Adoration, Refpect,
 Submiffion in Opinion, and Honour, does to
 the great Genius in the learned World. And
 why a good Shoemaker, who ferved his Time
 in *Bristol*, fhould not have the fame Liberty
 of exerting the Ability of his Trade in *London*,
 without paying for this Privilege, as well as
 an Attorney who ferves his Clerkfhip in *Bris-
 tol* has, is, with refpect to the Advantage of a
 whole Community, a Myftery to me.

BUT to return from this Sort of Digreffion
 to the Subject of this Chapter; that Labour
 which is attended with great Risk, fuch as
 Mariners, Bell - Founders, Powder - Makers,
 Miners, ought to earn more than other La-
 bourers: and in like manner, thofe Profes-
 fions, where Ingenuity, Genius, Science, and
 Parts are neceffary, have a right to a propor-
 tionable Reward; as alfo fuch Perfons of Edu-
 cation,

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cation, where Trust and Confidence must be
reposed, such as Lawyers and Accountants.

C H A P. IX.

*The Number of Labourers and Handicrafts-
Men is proportioned to the Demand for
them.*

IF the Labourers, Husbandmen, and Trades-
men of a Village do all educate and bring
up Children, the Number may be too great
for the Employment: in this Case both Sexes
will be obliged to go and seek their Bread else-
where. This occasions many not to marry,
until they acquire wherewith to maintain a
Family; and even then, when they come to
an Age to work, some of the Children of
such Marriages will be obliged to go else-
where to seek Bread, by which means it may
happen, that a Village without some new
Acquisition of Industry, may not in an hun-
dred Years increase in the Number of its
Inhabitants. It is therefore evident, that La-
bour and Industry is proportioned in all Places
to the Demand for it from the Number of
People or Inhabitants, supposing such Inha-
bitants

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bitants capable by their Commerce and Pos-
sessions of employing Numbers of Hands:
otherwise such Labourers and Tradesmen
will seek for Support elsewhere; which proves
that Labour and Industry is proportioned to
the Demand there is for it.

C H A P. X.

*The Price of any Thing, in general, is esti-
mated by the Value of the Land which pro-
duces it, and the Labour and Time taken in
forming it into Use.*

ONE Acre of Land produces more Corn
and feeds more Sheep, than two Acres
of Land of less Goodness; and the Labour of
one Man is more valuable than the Labour
of another, as I have already explained, ac-
cording to the superior Skill and Occurrences
of the Times.

IF two Acres of Land are of equal Good-
ness, and all Things equal, the Corn of the
one will sell at Market at equal Price with the
other; the Wool of the Sheep fed on the one,
is equal to the Wool of the Sheep fed on the
other.

other. If the Wool of the one is manufactured into coarse Cloth, and the Wool of the other into fine Cloth, the Quantity of Wool being equal, but as the fine Cloth requires more Labour, and is of a dearer Nature, the Price of the fine Cloth will be by so much proportionably dearer; and the same Rule must govern in every Species of Goods and Merchandize. Therefore it is the Value of the Quantity of Land, and the Value of the Labour made Use of, to produce all Goods and Merchandize, which fixes their intrinsic Value or Worth.

CHAP. XI.

Of the Par and Equality between Land and Labour.

IT does not appear, that the all good and wise Being, ever gave the Right of Possession to one Man more than to another: the most ancient Titles we know of, are those of Conquest: the Property of the Kingdoms of *Mexico* and *Peru* belongs to the *Spaniards*, and that of the Holy Land to the *Turks*.

BUT

BUT in supposing the Proprietor of an Estate or Plantation, we may conceive that if he himself cultivates it, he will be obliged to employ Slaves, Vassals, and Labourers: if the Number of such is considerable, Inspectors and Overseers must be employed to see the Work done: so much of the Produce of this Land must be allotted to the Slaves, as will be necessary to support them, their Wives and Children: the Overseers and Inspectors must be allotted Advantages and Distinction, proportionable to the Authority of their Office. Slaves are not fond of Work; they must be compelled to it by the Fear of Punishment, or else flattered into it by the Hopes of Reward, over and above the bare necessary Support of Life for themselves, their Wives and infant Children. The Labour of a Slave, is at least of as much Value, as the Worth of the Produce of so much Land, as was necessary to be cultivated for his Support, and half as much for the bringing up his Child to an Age of earning its Bread; because Experience shews, that half of the Children born, do not live to this Age: therefore, two Children must be born, to have a reasonable Probability, that one shall live to the Age of seventeen; and

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even after so doing, his Life is not to be calculated at more than ten to twelve Years Purchase.

It is true, that this Moiety of Children die more frequently in the early Years of Life. Time and Experience must be had in bringing the Survivors up: Allowance must be made for Females. All these Circumstances taken together, it is generally computed that the Labour of an able bodied Slave, is proportioned in Value to the Quantity of Land necessary to be employed for the Maintenance of two Slaves.

WHEN the Planter of an Estate brings up Slaves, and their Children, and if the Increase in Number is more than sufficient for cultivating his Estate, he has a Right to dispose of his uselefs Hands, in the same Manner as he would of any Produce of his Land, and the Price of such a Slave ought to correspond to the Value of the Land's Produce, and the Labour attending it, allotted to support and bring him up. If the Proprietor of an Estate employs Vassals or Husbandmen, who are free, they must be supported better than absolute Slaves; and the Value of the Labour of such ought

ought to correspond to double the Value of the Land allotted for their Support. All Things considered, it is calculated that the Value of the lowest Peasant's Labour, may be rated at double the Value of the Land that was necessary to support him, according to the ordinary Expence of the Place where he resides; and the Labour of the Artizan ought to follow the same Proportion. If you are to calculate how much Land corresponds in Value to a hundred Quarters of Wheat, you must first find out how many Acres of Land were employed in producing this Quantity of Grain, the Expence of preparing the Land for Sowing, its Rent; then double the Value of this Land for the Payment of the Labourers, and add the Charges of carrying it to the Market.

C H A P. XII.

Of Mines and Barter,

LAND produces more or less according to the Goodness and Fertility of its Soil, or in Proportion to the Expence and Pains taken in its Culture and Improvement. So all Mines of Lead, Coals, Copper, Tin, Silver,

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THE Value of Metals taken from the Mines is proportioned to the Value of the Land and Labour made use of in their several Operations, and their Prices vary and change according to the Taste, Luxury, and Will of the Proprietors of Land. If the Tin found in the Mines of *Cornwall*, and which is sold in *London* for 100,000 l. finds every Year the same Vent, the Value of the Labour attending its manufacturing to the Place of Sale, is equal to other Goods to the Amount of one hundred thousand Pounds.

BUT if the Use of Tin was discountenanc'd, or discontinued, and the Use of earthen Ware substituted in its Room, there would be no Demand for this Commodity; and consequently the Working the Mines in *Cornwall* would cease, to the great Loss of the Proprietors.

LET us suppose a small State or Community, without foreign Trade or Intercourse with its Neighbours, and that from Mines discovered a certain uniform Quantity of Copper

per is drawn from them annually, to supply the necessary Use and Conveniences of each Individual, and to reimplace the Waste this Metal is subject to from its daily Use: And suppose Part of this Metal is ordered to pass for Money; it is clear that this new Use for it, would cause a greater Demand, and a greater Quantity would be taken from the Mines, than formerly, in order to supply this new Demand; but Gold and Silver which are not so easily consumed by Fire, is proper for Money, from their excellent Quality and Capacity of being wrought into such Variety of ornamental Things, and the Impossibility of falsifying or counterfeiting them without being discovered.

IF, for Instance, there was one constant uniform Want and Demand for Wheat and for Wool, and an equal Quantity in being to answer the Demand and the Consumption of those Sorts of Goods and Merchandize; there then would be a fixed Proportion between a Pound of Wool and a certain Measure of Wheat: but as the Demands of the Public for these different kinds of Goods, as also for all other Sorts of Goods and Merchandize, vary and fluctuate daily, it would be almost impossible

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impossible to fix this Proportion between any
two Sorts of Merchandize, as the Humour
and Luxury of the Great keep all Sorts of
Goods, as to their Prices, in almost a perpe-
tual Fluctuation backwards and forwards : but
Gold and Silver, by its Quantity at Market,
finds this Proportion, by passing there at a
fixed Value in Exchange for the Land's
Produce.

*Waltham
of Practice
p. 20
C. 37*

To explain how Money operates in bring-
ing about this Proportion, I think the Words
Haggling and Bargaining will shew it. * He at
Market who has any particular Species of
Goods to dispose of, will set a Price on them,
in order to answer the Questions proposed to
him by such as appear Purchasers; and he
who has Money will hold his Hand, and pro-
portion his Terms of Buying to the Quantity
of Goods he finds at Market, and the Demand
he perceives there is for them : from this Sort
of Inaction between Buyers and Sellers, a
kind of Stagnation, for a Time, ensues; until
the one or the other submit and open a public
Price. Suppose that four Corn-Factors have
each of them Orders to purchase five hundred
Quarters of Wheat, and that one is limited
not to exceed 2l. 10s. the Quarter, another
2l. 5s. the other 2l. and the fourth 1l. 15s.
there

there must in this Case be 2000 Quarters of
Wheat at Market, to correspond to the Mo-
ney which is to be offered in Exchange for
this Wheat; but if it should happen, that
there are but one thousand Quarters of
Wheat at Market, the Sellers will quickly
discover that there is a greater Demand for
Wheat than the Market can on that Day
supply, and consequently will keep up the
Price; and the Factor, who has Orders to
purchase at 2l. 10s. will begin his Offers, and
finding, from the Result of his Enquiry, that
he cannot beat down the Price, he opens the
Market-Price of that Day at his Limit of
2l. 10s. and having purchased his Quantity,
the Price must fall to 2l. 5s. or else the
Wheat must be kept to next Market-Day, as
the second Factor is limited to 2l. 5s. and so
so on to the other Purchasers.

BUT suppose, that instead of 1000 Quar-
ters, there were 10,000 Quarters of Wheat at
Market, the Price would proportionably fall,
and this Proportion would be regulated by
the Quantity of Money at Market, compared
to the Value of the Quantity of Wheat there
to be sold; and things between Buyers and
Sellers would come to a Proportion of Equality,
so as to fix the Price of the Day between Mo-
ney

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ney and Wheat, according to the Quantity,
Goodness, and Quality of the latter, and the
Demand for it.

As to the Goodness and Quality of Money
or Coin, it is fixed by public Authority and uni-
versal Consent, and does not vary as to its in-
trinsic Worth; and is therefore very properly
called the Measure of Barter and Trade.

FROM what is here said, may be perceived
the Reasons why the Prices of Goods daily
vary at Market, where the Quantity of Money,
and the Necessity of exchanging it against a
certain Quantity of Goods, bring about these
Alterations. The Demand of the Public to
supply the Taste, Luxury and Manner of liv-
ing of the Rich, is that which occasions these
Alterations: The Variations in the Course or
Price of Foreign Exchanges, are brought about
in the same Manner at the Market or Ex-
change, where Merchants meet to exchange
or barter so much *English* Coin against a cer-
tain Quantity of the Money of other Countries,
which they are to receive, by Orders given in
a Piece of Paper, called Bills of Exchange;
if there are more Bills of Exchange at Mar-
ket any one Day than Money, the Price of
Bills

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Bills must fall lower than it was before; but
if there is more Money than Bills, the Price
will rise. Let us suppose a Town, and the
Lands about it, that has no Communication
with its Neighbours, and that the Money
necessary in Circulation, in such a Place is
100,000*l.* to carry on all its Wants; and let
it be supposed that this Sum by one Accident
or other, increased to 200,000*l.* so that such
as had twenty Shillings, would by this increase
have forty Shillings: this Town and its Districts
about it, considered in itself, would not be
richer, happier, or more powerful than it
was before this Acquisition; but the Prices
of every Thing would be double to what it
was before: and this I shall attempt to make
clear, by what I shall say of the consequential
Effects of the Increase and Decrease of Money
to a Community.

HISTORY informs us, that after the Defeat
of *Anthony* and *Cleopatra*, by *Augustus Cæsar*,
the immense Riches brought by him to *Rome*,
and there dispersed in Circulation, raised the
Price of Provisions and Merchandize to double
what they were before; and we have seen in
modern Times, that the Quantity of Bullion
annually brought to *Europe* from *America*,
and

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 and which by infensible degrees falls into Cir-
 culation and Trade, has by the same Progref-
 sion augmented the Prices of all Neceffaries
 and Goods, and though a Town or City with
 the Districts about it; confidered in itfelf, as
 having no Trade or Communication with its
 Neighbours; does not become richer, happier,
 or more powerful, by an Increase of Money
 in Circulation; yet in confidering and com-
 paring the Barter and Trade which one Town
 has with another, and that of one Country with
 another, it appears that that Town, and confe-
 quently that Country which has moft Money
 in Circulation, and where of courfe Goods
 and Neceffaries are deareft, has great Advan-
 tages over thofe Towns and Countries where
 Money is lefs abundant, and the Neceffaries
 of Life cheaper.

THE principal Advantage of foreign Bar-
 ter and Trade confifts in our annually receiv-
 ing of Bullion, by way of Ballance, in ex-
 change of our Goods and Merchandize, and
 that is only faying, after having paid by our
 Goods the Value of the Foreign Goods and
 Merchandizes purchafed from Abroad, there
 fhall remain ftill a Sum of Money due to us
 from the Surplus Value or Amount of our
 own

own native Labour, over and above that of
 the Value of the Goods purchafed Abroad;
 which Surplus Value or Amount is called the
 Ballance of Trade, and which muft always be
 paid in real and effectual Bullion of Gold or
 Silver.

IT is this Ballance of Trade which en-
 riches Nations in the prefent Situation of this
 World; as the Acquisition of this Bullion, of
 which Money is made, is that which acquires
 to one Nation, comparing it with another, a
 fuperiority of Power, Force, and Influence;
 for the Poffeffion of thefe precious Metals pur-
 chafes all the Means of acquiring this fupe-
 rior Force; fupposing always that they are
 applied to the promoting Virtue, Religion,
 Morality and an elegant Luxury; but if ap-
 plied to promote a vicious Luxury, Prodigal-
 ity, Infidelity and Gaming, Effeminacy, Im-
 morality and Debauchery is the Confequence,
 and they are the Inftruments of procuring to
 a Kingdom both temporal and eternal Ruin
 and Perdition.

C H A P. XIII.

Of Money and its Value.

THE intrinsic Worth of every Thing is proportioned to the Value of the Land, Labour, Risk and Time necessarily had in producing it into Use and Form; and the several Variations which happen in the Prices of every Species of Goods and Merchandize, depend on the Demand there is held for them, to supply the Delicacy, Taste and Luxury of the Rich.

GOLD and Silver are Metals found in Mines: It is of Gold and Silver Money is made: Money is defined by the learned *David Hume*, Esq; to be the Instrument which Men have agreed upon to facilitate the Exchange of one Commodity for another: It is the Oil which lubricates and renders the Motions of the Wheels of Trade smooth and easy. Gold is the most solid of all Metals, and little or no corruptible Matter in it: Silver is next in Dignity to Gold; and from the excellent Qualities inherent in these precious Metals, and their Capacity of being wrought into such a Variety of useful and ornamental Things

Things, it is not to be admired that they are deservedly esteemed by all civilized People, the Measure of Trade and Commerce: That is to say, that a certain Quantity of Pieces of these Metals, weighing so and so, and containing a certain fixed Fineness, and freed from any other Mixture to a certain Proportion shall purchase and be received in Barter or Exchange for the Produce of all Labour, Goods and Land whatsoever.

OUR Predecessors considering that Silver in its highest Degree of Fineness was too soft for Service or Use, contrived to harden it by mixing it with a certain Quantity of Copper, so as not to destroy its pure Colour of Whiteness: this Mixture both in Gold and Silver, is called Alloy; the first Contrivers of it in *England* were the *Easterlings*; that is to say, a People from the *Hanse Towns of Germany*, who came to settle here, and were called by that Name, because those Towns are to the Eastward of *England*, and from them we gave this Standard Silver the Name of *Sterling*, which it retains to this Day.

THE Method of Coining, which is now practised almost every where, is of the greatest

36 The ANALYSIS of Use to Society. The Weight and Fineness of pure Gold or Silver contained in and coined into small Pieces of these precious Metals, is ascertained by public Authority: by which means People can go to Market with Security and mutual Safety, and there offer these Pieces of Money in Barter or Exchange for the Land's Produce, and the Necessaries of Life.

I have already observed, that there is no Species of Goods or Merchandize but what are subject to vary and change in their Price and Value, and therefore improper to be made use of as an universal Standard in Barter and Exchange of Labour and the Land's Produce: but the Value of coined Money being by universal Consent once fixed, it then becomes not only a Measure, but also an equivalent Consideration in the Purchase of all Things. If I purchase a Ton of Wine in *Portugal* to be delivered in *England*, and the Value to be repaid in Bays in *Lisbon*, the Wine is not to be valued by the Quantity of Bays to be sent to *Lisbon*, nor the Bays by the Quantity of Wine to be delivered in *England*: The Estimation is to be made by the Value each of them is worth in Money at the

the Places delivered; and thus Gold and Silver become a fixed Measure of Trade. And though these precious Metals are not properly speaking Riches, yet they are the principal Agents in Trade; they settle with more Facility and adjust with more Certainty, the Ballances arising between Men in their Dealings with each other, than any other Species of Goods of the Land's Produce.

It is true, that Credit and Paper may supply the Use of Money; but this can never happen but when People are well convinced, that those to whom Credit is given will have Money, at the Time agreed upon, to discharge that Credit, and that the Bank or Bankers, who make a Trade of circulating their Notes as Cash, have this Cash by them, or so employed as to be always at hand to answer the Payment of their Notes when called for. Credit is only the Expectance of Money at a certain limited Time; that failing, Credit also fails.

I have already observed, that in considering one Country in itself, without Trade or Connection with its Neighbours, the greater or less Quantity of Money is of little Consequence

quence to such a State or Community: 'tis only those Nations and Kingdoms who have Connections and Commerce with their Neighbours, that reap the Advantage of the superior Figure, Power, and Influence which Money gives them over other States and Monarchies. The Possession of Bullion, properly applied, finds Employment for Millions of People; Employment gathers People together, and their superior Labour and Industry is serviceable both at Home and Abroad. The easing Labour of its heavy Taxes, is the only Method to keep and have the Price of Goods cheap, or at least to hold a proportionable Progress in the Hire of Labour with our Neighbours; for it is impossible to hinder the Ballance of Trade from having its natural Effect of insensibly, and by Degrees, increasing the Price of Labour: But though in this Respect it may prejudice the Community; yet this is made amends for by the Advantages we reap from the Influence and Weight obtained in consequence of the Possession of Gold and Silver: This Inconvenience however is no Sort of Reason for creating a false and counterfeit Increase of Money by Paper, which Foreigners will not accept of, and which any great Disorder of the State will reduce to nothing. This Pa-
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per Money creates and increases Circulation, all of a sudden, beyond its natural Proportion to Labour and Goods; but in a Country in which real Money begins to flow, from the Consequence of a well-regulated Commerce, Industry and Labour gain new Life; for tho' the high Price of Goods is a natural Consequence of the Increase of Bullion, yet this Consequence does not immediately follow. Money acquired by Trade takes Time before it circulates; its Effect is produced by degrees, and until it arrives at its height, all Degrees of People in the Nation are whetted by a laudable Ambition and Application to acquire some Part of this Money flowing in upon them. Money thus becomes dispersed into many Hands, enters into every Transaction and Contract, and encourages Labour and Industry.

In *England*, a Pound Weight of Gold, eleven Ounces fine and one Ounce Alloy, is cut into forty-four and an half Guineas; and a Pound Weight of Silver, eleven Ounces two Penny Weight fine and eighteen Penny Weight Alloy, is cut into sixty-two Shillings, and according to this Rate, a Pound Weight of standard Gold, reckoning the Guinea at one
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40 The ANALYSIS of
 and twenty Shillings, is worth upwards of
 fifteen Pounds of standard Silver. The same
 Proportion between Gold and Silver is held in
Spain. But in *France, Holland, and Germany*,
 it is about fourteen and an half to one; so that
 if from *France, Holland, and Germany*, Gold
 is imported into *England*, it is clear, that by
 exchanging a Pound of Gold, which cost but
 fourteen Pounds and an half of Silver, that
 here they will get fifteen Pounds of Silver for
 this Pound of Gold, and consequently gain a
 Profit of half a Pound of Silver by the Bargain.
 This gives a manifest Reason and shews the
 absolute Necessity we lie under, of lowering
 the Proportion between our coined Gold and
 Silver, and accounts for the Scarcity of the
 latter in Circulation, especially of weighty
 Silver Coin; or else a new Coinage ought to
 take Place, and the Alloy of Silver ought to
 be equal to its Alloy in other Countries, such
 as *France, Germany and Holland*; which
 would prevent the Confusion that falling the
 Denomination of the Guinea, or raising that
 of Silver, would bring, by introducing Frac-
 tions very troublesome in the Circulation of
 Coin; but one or other of these Expedients
 ought to be taken, in order to obtain an equal
 Proportion between Gold and Silver with other
 Countries, To

To illustrate this: Let us take the Instance
 of the present *Mexico and Peru* Dollars, and
 let us suppose the Price of them at Market to
 be Five Shillings and Three-pence *per* Ounce:
 as to their intrinsic Fineness, they are Five
 Penny-weights worse than our Standard Sil-
 ver, and consequently by Three-halfpence the
 Ounce of real less Value than our Silver
 coined into Money; that as the *Spanish* Silver
 carried to our Mint would be received, in order
 to be coined there, but at the Rate of Five
 Shillings and One Halfpenny the Ounce;
 because our own has by Three-halfpence the
 Ounce less Alloy: Now if at Market the Price
 of *Spanish* Silver is worth Five Shillings and
 Three-pence, that of our Standard Silver
 ought in Proportion to be worth Five Shil-
 lings and Five-pence.

AGAIN: Suppose I carry One Pound of
 Standard Gold to the Mint, it will be there
 worth me 4*l.* 14*s.* 6*d.* suppose then that
 this Sum is paid me in new-coined Silver,
 which, for Argument sake, I suppose to be
 run down into a Bar, and carry it to Market,
 and there sell it at Five Shillings and Five-
 pence the Ounce, it will yield me 4*l.* 15*s.*
 which

42 The ANALYSIS of which equals a Profit of four *per Cent.* This demonstrates the Necessity there is of reforming the Mistake which happened in our regulating the Proportion between our Gold and Silver, and which cannot be done but by one or the other of the Methods before proposed; the Necessity of which I shall more fully illustrate in a subsequent Chapter.

C H A P. XIV.

Of the Circulation of Money.

BEFORE the Use of Money was found out, one may consider the Proprietors of Land obliged to employ Slaves, domestic Servants and Labourers, to cultivate the Land; to all which they must allot the Means of supporting themselves and Families.

IN the Beginning, when the Use of Money was discovered, and that its Quantity by degrees ascertained the Value and Purchase of all Things, it is natural to imagine that a certain Quantity thereof was allotted to the Labourer, either by the Day or Year, to support himself, his Wife and Children, in proportion

portion to the Expence and Manner of living of the Times. If less Wages was given than what was necessary to purchase the Means of living, they could not support it; if more was offered, Labourers and Artists would press in Emulation to each other to be employed. It is the same Thing with respect to Undertakers of Work and Improvements, Builders and Trades, who vye with each other for Employment: their Profits must be proportioned to the Expence of the Times, and their Expence must be proportioned to their Profits; for if this Proportion is broke in upon, the Consequence is Insolvency.

THE Payments made by Tenants to Landlords, Farmers to Labourers, and Tradesmen to Farmers for the Produce of the Land, Merchants to Manufacturers, the Proprietors of Lands to Tradesmen and Artists; and lastly, by the Prince to his Courtiers and Pensioners, is what is called Circulation of Money; the oftner these Payments are made, the quicker Money shifts Hands, and goes round; and it is calculated that the Coin which conducts the Circulation of a Kingdom, is about the ninth Part of the Value of the Produce of the Land, and the Value of the

44 The ANALYSIS of the Labour necessarily had to form it into Use.

IN order to give a plain Instance of what Circulation is ; suppose yourself at a Hazard-Table, where some have large Heaps of Money before them, others less; in short, all have something to venture. The Play begins, the Money flies about the Table from Hand to Hand ; he that had large Sums is reduced to nothing and borrows of the Money-Lender ; the quicker the Game goes on, the quicker the Money shifts Hands, and circulates from Hand to Hand : so fares it with a trading Country ; all Commerce is carried on at Risk and Hazard, the Whole depends on the Landholders, to furnish their Taste, Luxury, and Expence. I am told that a Bank at Faro of ten thousand Pounds, will carry on Play for one hundred thousand Pounds in a Night ; if so, it circulates this hundred thousand Pounds ; and by the same Parity of Reason, about the tenth Part of Value in Money will circulate the Income of the Land's Produce, with the Value of the Labour necessarily had to manufacture it into Form for Use and Service to the Public.

C H A P,

C H A P. XV.

Of the Ways and Means by which real Species Increase and Decrease in a Kingdom.

IN all trading States where there are not Mines of Gold, or Silver, the only natural Way of acquiring these precious Metals, is by foreign Commerce ; and this by a very few Words is explained, by the Acquisition of the surplus Value of our Exports, more than that of our Imports ; this surplus Value must be paid us in Bullion, which brings what is called the general Ballance of Trade on our Side ; and it is this Ballance which increases our real Specie, and consequently if this Ballance is against us, that is to say, if the Amount of what we import, exceeds that of what we export, the Excess must be paid in Bullion, and consequently will decrease our real Specie.

IN order to illustrate this Matter, let us suppose, *France* in the State in which it was in the Year 1740, the Land tollerably well tilled, Rents well paid, but that the Calamity of a civil War broke out : the great Proprietors of Land would take some one Side, some the

46 The A N A L Y S I S of
 the other ; all Ways and Means to raise Money
 by Mortgage and Credit would be practised,
 in order to support their respective Parties ;
 the Land in general would be uncultivated ;
 Manufacturers and Undertakers in Trade
 would be disconcerted and at a loss what to
 do, consequently very cautious how they en-
 gaged in Business ; Countries, Towns, Cities,
 and Villages, would be pillaged and plun-
 dered. The Farmer could not bring to Mar-
 ket the Produce of his Land ; in this unhappy
 Situation of Affairs, a Necessity must arise to
 import from foreign Countries the Materials
 necessary to support this domestic Contention ;
 Money must be had for this Purpose, which
 would carry away the current Coin of the
 Country, and consequently occasion a great
 Scarcity ; many of the Inhabitants would quit
 the Country, the general Face of all Things
 would wear the Complexion of Blood, Con-
 fusion, Poverty, and Want ; and the Country
 would be in Danger of being invaded by some
 of its ambitious Neighbours.

Now let us suppose this Plague of civil
 Contention happily composed ; the Conse-
 quence would naturally be, that the Land-
 holders receiving little or no Money from
 their

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their Lands, would be necessitated to lett them
 at low Rents ; and Money being scarce, the
 Land's Produce would be cheap, the Land-
 lords would be obliged to live in a propor-
 tionable Compass ; few or no foreign Goods
 would be imported, being too dear, with res-
 pect to the Poverty of the Country, where its
 own native Produce would be so cheap as to
 encourage foreign Nations, to come and pur-
 chase them : this would bring in a Flow of
 Money ; the Cheapness of Rents to the Farm-
 ers would produce Plenty ; the Country Peo-
 ple finding easy Means of subsisting would be
 induced to marry, and bring up a Stock of
 Children ; valuable Manufactures would be
 established ; the Cheapness of Merchandize
 would introduce a large Demand for foreign
 Exportation ; all Things being in Peace and
 Tranquillity, Money would insensibly increase
 in Circulation, and get into the Channels of
 Trade ; the Inhabitants would become nu-
 merous, the Prices of all Things would, in
 proportion to the Increase of Money, insen-
 sibly augment ; Merchants and Tradesmen
 would by their Savings grow rich ; the Land-
 holders would increase their Rents, Luxury
 and Profusion would soon take the Place of
 Oeconomy and Industry ; the landed Gentry,
 who

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48 The A N A L Y S I S of
 who before lived with great Care and Parsimony, would now keep great Tables well covered with Delicacies; Merchants and Traders becoming rich, would launch out into Expence, and would consume more of the Land's Produce than heretofore. And in this Situation of Luxury and Expence, *France* would be looked upon by its Neighbours in the highest Point of Power and Riches; and the Country possessing more Money than its Neighbours, every thing would proportionably be dearer; Foreigners would cease buying, and would attempt supplying themselves by their own Manufactures; the Channels of Commerce would be turned into different Courses; the Increase of Coin would increase a Demand for more than the Land could produce; and consequently this Demand must be supplied by foreign Produce, which would carry the Ballance of Trade against *France*; Manufacturers, Artizans and Merchants would quit the Kingdom, and in a Course of Years the Nation would be drained of all its Coin. Luxury is seldom introduced into a Country or Community, but when it is believed that it can always be supported; but if once begun, People generally ruin themselves before they are prevailed upon to quit it.

By

TRADE, COMMERCE, &c. 49

By these Explanations, the Causes which enrich and impoverish trading Nations are easily traced. Kingdoms after public Calamities, provided they are but tolerably well governed and protected, grow rapidly wealthy; those who survive the Calamities of their Country become wise, sober, and industrious. Had the Calamities introduced by the Schemes of the Year 1720 been wisely applied, and Labour and Industry eased of its oppressive Taxes, the Community in general had long since been restored to its Senses, from the Madness and Folly which the Schemes of that Year possessed us with, and still seem to govern us by; and it had not been verified, what was then introduced (to our Scandal and Reproach) as a Maxim, that every Man in *Great Britain* was to be purchased for his Price. The learned Mr. *Hume* observes, that Mankind are such Dupes, that notwithstanding any violent Shock to the Community, yet it would not be long before Credit would again revive; and though Men are commonly governed by what they have seen, more than by what they foresee; yet Promises, fair Appearances with the Allurements of Gain, are powerful Temptations which few are able to resist.

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THE Public is a Debtor, which no Man can oblige to pay, the only Check which the Creditors have on it, is the Interest of preserving Credit; an Interest which must be ballanced by a difficult and extraordinary Emergence, or Exigence of the State; the Dignity and Authority of the Gentry and Nobility is so well rooted, that a Contention between them and the Proprietors of the Funds would be very unequal, if ever the Case happened; private Families, who live beyond their Income, are limited, and they can go no further than the Purchase of the Fee-Simple of their Estates, and their Ruin within a few Years, more or less, may be determined: But the Resources of a rich and opulent Nation in full-blown - Credit are almost infinite; yet it is certain, that the same expensive Measures which ruin private Families, will destroy a Nation; the Difference only consists in point of Time, which must happen, as *Henry* the Fourth of *France* said of the Astrologers, who were every Year foretelling his Death: "These Fellows, says he, must be right at last."

THE national Debt of *France*, at the Death of *Lewis* the Fourteenth, amounted to one hundred

hundred Millions Sterling. The Regent, who succeeded to the Reins of Government, eased the Public of them; yet after the Murmurs and Complaints which this bold Step occasioned, it is amazing to what Grandeur and Extent their Trade and Commerce, from the Year 1720, has been carried, and may in a great measure be seen from the great Number of their Ships taken in the last and present War.

LUXURY, which requires to be supported by foreign Aids, inevitably brings Ruin to a Nation, unless timely prevented by our great and opulent Rulers; not by Prohibitions, but by Example, encouraging thereby the Consumption of our own Manufactures, which in my humble Opinion, would have more effectual good Consequences, than all the Prohibitions which Law can contrive.

CHAP. XVI,

Of the consequential Effect, which the Increase and Decrease of the current Coin of a Country, has on the Community.

SUPPOSE fifteen Millions of Specie sufficient to circulate the Trade of *England*; this Money would roll backwards and

52 The ANALYSIS of
 forwards amongst the Individuals of the So-
 ciety, in Barter and Exchange of the Land's
 Produce, and in its several Windings and Turn-
 ings, it fixes the Rents of Land, as also the
 Hire of Labour and Artizans.

LET it be again supposed, that these fifteen
 Millions of Money, by some Accident or
 other, was all of a sudden doubled and put in
 the Channels of Trade; the Money then cir-
 culating in *England* would be thirty Millions;
 this sudden Increase of Cash, would increase
 a proportional Demand for Merchandize, as
 also for Labour and Industry, and consequently
 enhance their Price, as also that of all Sorts
 of Goods and Merchandize; and whenever
 Things got up double in Price to what they
 formerly went at, properly speaking, no one
 would suffer, but the Landholders; the
 Farmers would be Gainers during the Term
 of their Leases; but when these expired, the
 Landholders would double their Rents, and
 justly, as the Land's Produce sold at double
 to what it formerly yielded.

THIS sudden Increase of Species would en-
 courage Merchants and Manufacturers, to
 embark a-new in fresh Undertakings and Ad-
 ventures,

ventures, and from the Increase of their Mo-
 ney, they would naturally be induced to in-
 dulse themselves in better Living, to keep
 better Tables, and consequently a propor-
 tional Demand would arise both for the Ne-
 cessaries of Life, and for Labourers and Ar-
 tizans; and the Proprietors of Land would
 receive double Income to what they formerly
 received; and this Increase of Money being
 thus thrown into Circulation, and thereby the
 Prices of all Things becoming in proportion
 dearer, yet the Merchants not being able
 to get a proportional Profit on their new Un-
 dertakings and Adventures, they would in this
 Case, if guided by Prudence to themselves
 and Families, be necessitated to retrench their
 new Method of Living, and return to the
 Old; otherwise the Consequence must be
 Bankruptcy: and others, who lived with
 greater Oeconomy, and saved their Profits,
 would rise in their Place; all Things in the
 Course of Time, would return to their former
 Situation; for let who will suffer Money and
 and Labour, by degrees, will at last find their
 due Proportion; because it is certain that the
 Quantity of coined Money in the Channels of
 Trade, and the Credit there given, forms and

54 The ANALYSIS of
fixes from time to time the Prices of all
Things at Market.

GENERALLY speaking, the coined Money of a trading Nation is in Circulation, it is not the Interest of the Possessors thereof to keep it idle by them; for it is by its Windings and Turnings in the Channels of Commerce, that Interest and Gain is procured from it. These several Windings and Turnings, are traced by and from the several Degrees of People, whose Taste, Luxury, and Necessaries are to be supplied by the Produce of Land and Labour: this Produce is generally proportioned to the ready Money and Credit of the Market; and in considering the Use of Money in a Nation that has no Intercourse with its Neighbours, the Greatness or Smallness of its Quantity is indifferent; but with respect to a Country, which carries on a foreign Commerce, and raises its Produce to exchange it with foreign Nations, the Question materially differs: the Evil lies in that, though the Increase of Money does by degrees increase the Price of Provisions and Labour, yet it never follows that the Merchant or Adventurer, gains a proportional Profit; but this Increase of the Price of Labour and Provisions brought about by
the

TRADE, COMMERCE, &c. 55

the Increase of Money acquired by the Consequence of a well regulated Trade, does not shew itself, but by insensible and slow Degrees, and is made amends for by the consequential Advantages we reap from the Possession of Gold and Silver, which gives Influence and Weight to all our foreign Negotiations; and though this great Quantity of Money is very disadvantageous to foreign Commerce, yet this Disadvantage does not produce its Effect, but by slow and insensible Degrees, and requires a Series of Time before it arrives at the Point of raising Labour and Provisions, to any great Inequality between us, and our Rivals in Trade; and before it arrives at this Point, great Advantages arise to the Public from the Encouragement given to Labour and Industry.

BUT this is not the Case with a delusive Paper-Credit, suddenly introduced to pass for Money in the Channels of Trade and Commerce; a Species of Coin which Foreigners will not accept, and which any great Disorder in the State will reduce to nothing. This counterfeit Money has all the Disadvantages, and all the evil Qualities (but not one of the Good) of the superabundant Increase of real Specie, acquired by a well regulated foreign

which remarkably cheap

56 The ANALYSIS of Trade; it increases the rate of Labour and Provisions, ^{*}(witness the Year 1720,) ^{*}but does not acquire one Shilling's-worth of real Bullion to the Public; that Credit had from Foreigners is destructive to the Community, and beneath the Dignity of *England*. Paper-Money, though never so well supported, and Current in our home Circulation, will never answer the Demands of our foreign Trade, or our Negotiations Abroad. Foreigners contract with all Nations for such and such Quantities of real Bullion, and this must be paid them either in the Value of Goods (which if too dear, or not wanted, they will not accept) or in some Sort of Bullion: Paper-Credit, though never so good in our own Opinion, or never so artfully shuffled among ourselves, will in general be of no Value in foreign Countries; they must have Money; an Instance of which happened with respect to a great Prince, with whom we contracted an Alliance, in consequence of which we were to furnish him a considerable Subsidy, of which we sent, by one Courier, one hundred thousand Pounds, of our best circulating Paper-Money; but these Notes, by the Return of the Courier were sent us back, as useless to our Friend and Ally; and we were obliged to supply the Mistake,

Mistake, and pocket the Affront given to our Paper Currency, by supplying this Sum at the Expence of five to six *per Cent.* in the Fall of the Exchange between *England* and *Holland*, in the Course of twenty Days.

I MAY therefore assert, that considering *England* as a trading Country, nothing but a real Increase of Bullion, acquired by a Balance from a well regulated foreign Commerce, will preserve to us our Trade. The Magnitude of our delusive Paper-Money, has without Measure raised the Price of Labour, beyond any Proportion within Compals with our Rivals in Trade. The *French* can afford to give thirty to forty *per Cent.* for our unwrought Wool more than we do; yet they undersell us by ten to twelve *per Cent.* at foreign Markets, in the same Materials to which both Nations convert this Wool. How is this to be accounted for? by nothing but their being freed from Taxes on the Consumption of the Necessaries of Life, as also from the Customs with which we have loaded the Importation of the Materials necessarily made Use of in Working or Manufacturing our Wool into Cloths, Stuffs, and Bays, &c. The *French* can, by their Advantage of being free from

** Would not such Taxes raise the Price of Labour if there was no paper Money*

58 The ANALYSIS of Taxes on Consumption, and from the Customs on Importation, afford to give Thirty to Forty *per Cent.* for our Wool more than it yields at our Markets; because they can purchase the Materials of its being wrought into Use, as also the Necessaries of Life at forty Shillings *per Cent.* cheaper than we can afford them to the Manufacturer; besides, if I am informed right, they have another Regulation of excellent Use in the Times of Scarcity and Want: In all their manufacturing Towns, the Magistrates have Store-Houses built, which they Stock in cheap Times with Wheat, Rye, Barley, Wine, Oil, and Brandy; and so soon as the Market begins to rise in Price, then the Store-Houses are opened to the Poor, and there they may purchase what they have occasion for at the old Market Price; and far from raising their Prices by Taxes, their Study is to make Necessaries cheap; can we therefore be surpris'd they undersell us by Ten to Twelve *per Cent.* at the Markets of *Turkey, Spain, Portugal* and *Italy.*

HOLLAND of itself produces little or nothing; but it is there, by the Cheapness of their Labour, the Produce of the whole Earth is found; and from the well judged Measures

TRADE, COMMERCE, &c. 59 Measures of opening their Ports at a small Expence, they are become the Carriers and Depositories of *Europe.*

WHILE foreign Nations underwork us, they can afford to give great Prices for our Materials, particularly Wool; all Prohibitions against Profit, are Laws founded upon Speculation, but never can avail in Practice; the Penalty of Death hinders not Bullion, being smuggled from *Spain* to *Portugal.* Sir *Josiah Child* observes, that those who can afford to give the best Price for a Commodity will never want it, notwithstanding the Opposition of any Law; such being the Violence in the general Course of Trade, that People run all Risks to obtain Profit. The Author of the Observations on *British* Wool supposes the Pack of this Species of Goods at six Pounds, the Weight of which being two hundred and forty Pound, is just Sixpence the Pound; and from his own Knowledge, he says, that this Wool sold at *Abbeville* in *Piccardy*, where *Van Robaisé's* great Manufactory of Cloth is established, at Ten-pence farthing the Pound, which is about Seventy-five *per Cent.* advance above the *English* Price, and is such a Temptation of Profit, that even our Landlords on our

60 The ANALYSIS of
our Sea Coasts, connive or at least wink at
its being smuggled into *France*.

THE Laws in *Ireland* are very severe against
smuggling Wool into *France* and *Holland*;
yet it is no Secret, that the Magistrates of that
Kingdom, who are in the Commission of the
Peace, and are Landholders and Merchants,
give no Sort of Encouragement to Informations
of this Sort: An Informer against smuggling
of Wool, or Wool wrought into Manufacture,
passes his Time very ill there, and so
ill, that even the Officers of the Revenue
dare not put the Law in Execution; the few
Obstacles this illicit Commerce meets with,
are from *English* Gentlemen (having no Property
in that Country) stationed as Commanders of his
Majesty's Ships on that Coast; but the large
Profits afforded by this Trade, very quickly
furnish ways and means to prevent even these
Gentlemen from seeing what passes at Noon Day.
To what Purpose then are these Prohibitions,
but to encrease Perjury and Corruption?

It were greatly to be wished, that our
English Nobility and Gentry, would endeavour
to overcome their mistaken Prejudice,
and

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and to consider *Ireland* with respect to *England*,
as they do *Yorkshire*, *Cumberland*, and *Westmorland*,
with respect to *Middlesex*, *Kent*, *Surry*,
Hampshire, and *Essex*: these northern
Counties have the same Rights, Privileges,
and Immunities with the southern Counties;
and if the Individuals of *Yorkshire*, *Cumberland*
and *Westmorland* grow rich and receive
great Revenues, daily Experience shews, the
Money is spent where the Seat of Empire is
fixed. This would exactly be the same Case,
if *England* and *Ireland* were united. It was
a Custom among the antient *Romans*, when
they conquered a Country they there estab-
lished a *Roman* Colony; and as many of the
Individuals of the conquered Nation as was
convenient they sent to *Rome*, and there gave
them the Right and Privilege of *Roman* Ci-
tizens: these Natives of *Rome* and their De-
scendants, as they acquired Riches and Pro-
perty in their Settlements, yearly spent them
in their Capital, so that by degrees the Con-
querors and the Conquered became one Peo-
ple, and united in one and the same Interest,
an Instance worthy of the Consideration of
our great Men in Power.

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I have observed before, that *Holland* of itself produces little or nothing: yet these People have beat us in the middling Sort of Cloths, out of our Trade to *Portugal*, which come cheaper to *Lisbon* by Five *per Cent.* than we can afford to sell them; though our worthy Friends pay an advanced Price of Twenty to Thirty *per Cent.* for our Wool more than our Markets will afford; such are the Effects of our Taxes and Imposts on Importations; all which is to be remedied by free Ports, and levying the Revenue on luxurious Consumption.

CHAP. XVII.

Of the Interest of Money.

THE far greatest Number of Labourers, Husbandmen, and Artizans in the Community live from Hand to Mouth, treasuring little or nothing of their Earnings; and Money with them is only an Hire to enable them to purchase the Necessaries of Life, without appearing to carry any other Interest.

BUT

BUT Merchants and Undertakers in Manufacture, whom I consider in my Supposition as the Proprietors of Money, acquire Subsistence from its Income, by employing it to the Use of the Labourer and Artizan: this Profit is proportioned to the Demand the Public has to support or supply the Taste and Luxury of the Proprietors of Land, and the Quantity of Money in several Hands to be advanced. A young Tradesman who has not wherewith to establish himself, is obliged to act as a Journeyman for Wages with some Master, Artist, or Manufacturer, the more Money the Master has to buy his Materials to supply the Calls of the Public, the more Men he is enabled to employ; by which he has the better Chance of enriching himself and Family, by his Care and Industry.

A Shopkeeper who sells by Retail, and purchases from the Manufacturer or Wholesale Dealer, is intitled to make a Profit proportional to the Time, Credit, and Risk attending his Business; the several Profits made from Hand to Hand, down to the Consumer, must be paid by the Landed Gentry, who are the great Consumers of rich Manufactures, and consequently they are those who keep Labour

64 The ANALYSIS of Labour and Industry in almost perpetual Motion. If a Wholesale Dealer finds himself in good Circumstances, he naturally will be inclined to Ease and Retirement; and in order to make an Interest of the Money which he has acquired, he will be induced to lend to a young Undertaker in his Business a Sum to enable him to set up; this young Man, to promote himself in the World, will very naturally agree to divide a certain Part of his Gains with his Wholesale Friend; and this Profit thus allotted to be divided, is proportioned to the Sum lent, and may be called the Interest of that Money.

If this young Adventurer by his Assiduity and Industry can find a quick Sale for his Goods, he will be encouraged to increase his Undertakings; and for the Purchase of Materials he will apply to borrow more Money, which if he cannot find Lenders at Market to supply him with, he will be obliged to purchase the Materials of his Business at Time and Credit, and give an advanced Price for Want of Money to pay down.

This is, I apprehend, the Source of the Interest of Money, and is determined, as to its

its Quantum *per Cent.* by the several Adventurers in Commerce, who, from the Nature of their Business, judge how much of their Profits they can afford to divide with the Proprietors of these precious Metals.

FROM this Reasoning I conceive it is clearly implied, that in all Contracts, either by Wholesale or Retail, where Time is given, the Interest of Money is comprehended, and its Rate is governed by the Demand of the Public to supply their Luxury and Taste, from the Produce of Land and Labour, and the Exigence of the State for this Produce of Land and Labour.

LAND is lett to Farmers, to spare the Proprietors thereof the Trouble of cultivating it; and the Proprietor of Money disposes thereof at Interest, to avoid the Risk and Trouble annexed to Trade; and its Income fixes itself, by the Demand the Public has for Labour and Industry, and is proportioned by the Quantity of Specie in Circulation; In a Nation where there is no Trade or Industry, the greater or lesser Quantity of Money is of no Use; it is the hard Hand of Labour and Industry which gives it a Value, and the Agreement
F and

66 The ANALYSIS of
and Convention of the Society has fixed its
Standard as a Measure in Exchange and Bar-
ter for the Produce of Land and Labour.

THERE are two Circumstances which prin-
cipally contribute to raise the Interest of Mo-
ney; the first and most essential is, the Con-
sumption and Luxury of Gentlemen of Estates
whose Tastes and Appetites are furnished and
indulged by Shopkeepers, Tradesmen, and Ar-
tizans; these People finding Employment from
the great Men of the Community, to furnish
them with more than their Stock in Trade
will yield, are thereby encouraged to apply
to the monied Men and to pay them an In-
terest, that they may be enabled to purchase
the Materials to supply the Demand of their
Customers.

THE second Circumstance is the Dissipa-
tion and extravagant Expence of the great
Proprietors of Land, who generally in all
Countries live above their Incomes, and con-
sequently are forced to borrow Money at In-
terest to support this immoderate Expence,
and also their paying an exorbitant Price for
every thing they purchase at Time and Cre-
dit, from the Wine-Merchant down to the
Chandler's

TRADE, COMMERCE, &c. 67

Chandler's Shop, by which forty to fifty *per*
Cent. is gained. This Credit, thus given,
obliges the several Undertakers in Trade, who
benefit thereby, to apply to the monied Men
for Assistance; which is a constant Source to
procure Interest; as also when the State is
obliged to raise Money by anticipating its Re-
venue: And to conclude this Subject of In-
terest, it is evident to me that an Increase of
Labour and Industry is an Increase of real
Riches; foreign Trade increases Labour and
Industry, and consequently acquires Money
to a Kingdom, and this brings a great many
Lenders thereof into the public Channels of
Commerce, and consequently creates a Low-
ness of Interest: In short, an Increase of La-
bour and Industry is an Increase to the Rate
and Hire of Money.

No Study is so essential to Gentlemen, who
mean that their Property in Land shall descend
to their Posterity, as that of finding Ways
and Means of easing Labour and Industry
from its present ill-judged Burthens. The
learned and great Mr. *Locke* asserts, that
"The Landlord is more concerned in Trade,
"and ought to take greater Care that it be
"well managed, than even the Merchant
F 2 " him-

“ himself; for he will certainly find, that
“ when a Decay has carried away one Part of
“ our Money out of the Kingdom, and the
“ other is kept in the Merchant's and Trades-
“ man's Hands, that no Laws he can make,
“ nor any little Arts of shifting Property
“ among ourselves, will bring back Money to
“ him again; but his Rents will fall and his
“ Income every Day lessen, until general In-
“ dustry joined to a well regulated Commerce,
“ restore to the Kingdom the Riches it had
“ before.”

TRADE like Money is of no Country,
Party, or Religion; the Merchant's and
Trader's View is to get Money; and when he
has obtained it, his second Object is to be pro-
tected in the free and peaceable Enjoyment
thereof: he is a Citizen of the World, and
where he can find Protection, Ease, and
Happiness, there he will fix, and praise his
Great Maker for the Blessing bestowed on
him.

C H A P. XVIII.

Of Inland and Foreign Exchange.

THE Invention of Bartering or ex-
changing the Money of one Town
with that of another, or one Nation with that
of

of another, is attributed to the *Gobelins* upon
their being expelled *Italy* by their Rivals the
Guelps, and this arose from the Necessity the
former were under of concealing their Wealth;
for this Purpose they applied to their Friends,
to whom they paid their Money in Exchange
of Bills or Orders in Writing drawn upon
Merchants or Correspondents in foreign Coun-
tries; this exchanging or bartering Money for
a few Lines wrote on Pieces of Paper probably
gave the Name of Bills of Exchange to those
Slips of Paper, which they retain to this
Day.

THE *Gobelins* after their Expulsion from
Italy, settled at *Lyons* in *France*, and from
thence dispersed to different Parts of that and
other Countries, such as *Paris*, *Amsterdam* and
London; and there they exercised and carried
on this Branch of Business as a Mystery, se-
parate from all other Branches of Traffic; these
People being originally from *Lombardy*, were
called *Lombards*, and the several Districts
wherein they took their Habitations, retain
to this Day their Name.

THE Discovery and Improvements of the
excellent Qualities of Gold and Silver, and

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 the ingenious Invention of Coining are of excellent Use. People deal together by means of these Pieces of precious Metals, with mutual Safety and Confidence, and indeed this Invention of bartering Money, in Exchange of Bills is an additional Aid to the universal Service to which Money is applied, as they conduct mercantile Transactions with great Ease and Facility, they adjust the Payments which Nations have to make to each other, they prevent the Risk of sending Money backwards and forwards, they secure the Merchants and Traders the Safety of their Effects, and consequently are of the greatest Accommodation to Commerce; the Knowledge of this Branch of Commerce, may be of Advantage to Gentlemen who are employed in the public Transactions of the State, particularly those who have the Honour of filling the Department of the Finances from whence Subsidies are to be paid to foreign Powers, and the Subsistence of Troops.

THE mutual Barter of the Goods and Merchandize of one Country, with that of another, may be carried on without the Intervention of Money, to a great Extent, but in Stating the Accounts of all Nations, Money is the
 Rule

Rule and Object, which leads all Individuals, the Quantity of such Goods and Merchandize, is not the first Object in View, but it is their first Costs, and what they may produce in Money, which is stated. Coin is the first Principle, and establishes the Foundation of all reasoning on this Subject, the Acquisition of Money is the ultimate End and View of the Merchant: the Struggle is, who shall acquire most Bullion, People may be deceived by Denominations given to Bullion coined into Money, but it matters not to the intelligent Merchant, whether this or that Nation, call their Ounce of Silver, sixteen, twenty, or fifty Livres, as it is not for Denominations People traffic, but for the Quantity of pure Gold and Silver, contained in the several Pieces of coined Money: the Question among Traders is, how much sterling Money so many Livres, so many Guilders, so many Reals Plate will give them at home, or how much the Produce of such and such Goods will yield them, the Value of the several Denominations of Foreign Coin is turned into Denominations of sterling Money, by comparing the standard Value of Bullion at the several Mints of each Country, with that of our own, this Mint Price seldom varies, the Price of
 F 4 Bullion

72 The ANALYSIS of
 Bullion at Market is in an almost perpetual Motion, to answer the Taste and Luxury of our great Proprietors of Land, and therefore cannot be called a fixed Rule to be calculated upon, all Countries ought as near as may be, to keep a just Proportion with each other, between their respective Denominations of Coin. An *Irish* Gentleman may think himself rich, as a Shilling passes with him for Thirteen-pence, a Guinea for twenty-two Shillings and Nine-pence, a Crown for five Shillings and Five-pence. Rich indeed he may be at home, and if his Country had no Communication with foreign Nations, this Increase of Number in Denomination of Coin, would give him more Pounds, Shillings, and Pence, yet not a Farthing more real Bullion than his Neighbours; the *English*, as also all Foreigners will buy the *Irish* Produce by so much cheaper, as their Denominations of Coin are more than standard, and they will also make the *Irish* pay in real Weight of Gold and Silver, for what they purchase from them. A Country having a foreign Connection to esteem itself rich in Denominations, is a Deception, but of that Sort, which carries a Plausibility of Reason with it; yet, I am of Opinion, which I submit to the leading Gentlemen

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 tlemen of *Ireland*, that if they consider the Nature of Gold and Silver, its Operations and Influence in a trading Nation, it will be the general Interest of that Kingdom, to reduce their Coin in Denomination to the same Currency it goes for in *England*; for the Truth is, that it is the Fineness and Quality of Gold and Silver, whether in Coin or in Ingot, which are the true Measure of Commerce, the giving them a delusive Denomination is very hurtful to the Community in general: But to return to the Subject of this Chapter, I must repeat what in another Place I said before, that an Ounce of fine Gold and Silver, is equal in all Parts of the World, to the same Quantity of Gold and Silver, and in order to find out the true Par in Exchange, between the Coins of all Countries, a perfect Knowledge of the true Weight and Fineness of Gold and Silver, in their respective Coins, must be had, and compared with that which is contained in our respective Coins, and the Standard Price of Bullion at our Mint; this Comparison forms and gives the true Par of Exchange; that is to say; if I am obliged to send any given Number of Ounces of Gold or Silver to *France, Holland, &c.* I pay Money to the Exchanger and receive from him Bills of Exchange

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 change on *France, Holland, &c.* by virtue of
 which I am intitled to receive in *France,*
Holland, &c. an equal Number of Ounces of
 Gold or Silver, equal in Fineness and Weight
 with that Money which I paid in Purchase of
 these Pieces of Paper; and this is what is
 called the Par of Exchange.

AND though this Par is thus fixed, yet the
 Prices at Market for Bullion, as also the Prices
 of all other Goods and Merchandize as well
 as the Course of the Exchange are subject to
 daily Change and Variations, arising from the
 Demand to supply the Taste and Luxury of
 the Times and the Exigency of the State;
 the Knowledge of these several Circumstances,
 the due Attention necessary to be had to them,
 and the foreseeing them, form the Difficul-
 ties which attend the practical Part of this
 Branch of Commerce; the carrying it into
 Execution depends on Practice, all that can
 be expected from it is, to lay down its true
 Principles, divested from the unintelligible
 Jargon of most People, who have hitherto
 attempted this Subject: let it be supposed
 that the Receiver-General of the County of
Somerset collects yearly for his Majesty's Re-
 venue 100,000 l. and suppose the Traders at
Bristol

Bristol sell yearly to the Merchants of *London*
 to the Value of 100,000 l. there will in these
 Suppositions be due to the King at *Bristol*
 100,000 l. and there will be due in *London*
 to the *Bristol* Merchants 100,000 l. the
 King's Exchequer will require to receive from
 the Agent at *Bristol* the 100,000 l. due to his
 Majesty, and the *Bristol* Merchants will want
 to receive from their Correspondents in *London*
 an equal Sum due to them, for the Value of
 the Goods and Merchandize sent up to *Lon-*
don: this Matter thus stated, may be adjusted
 by Bills of Exchange, without the immediate
 Intervention, Expence, and Risk of sending
 Money backwards and forwards; for if the
Bristol Merchants apply to the Receiver-Ge-
 neral of the County, he may take their Bills
 on their Correspondents in *London*, and trans-
 mit them to the *Exchequer*; or else the se-
 veral Merchants in *London* may apply to the
Treasury, and there pay in their Money in
 Exchange for Bills, or Orders on his Ma-
 jesty's Receiver at *Bristol*, which Bills or Or-
 ders these Gentlemen of *London* may transmit
 to *Bristol*; and by means of these Bills of
 Exchange the 100,000 l. due to the King at
Bristol will be paid into his Treasury at *Lon-*
don, and the 100,000 l. due in *London* to
Bristol

76 The ANALYSIS of *Bristol* will be there paid: And these equal Payments are what is properly called the Par of the Exchange between *Bristol* and *London*, or between *London* and *Bristol*.

THE same Method of Negotiation may be practised by the Stewards of Gentlemen who have Estates in or about *Bristol*, but who reside in *London*; yet suppose it happens that the Value of all the Goods and Merchandize which *London* supplies *Bristol* with, the King's Revenue in *Somersetshire*, and that of the Income of Gentlemens Estates, is less in Amount than the Value of the Goods and Merchandize furnished by *Bristol* to *London*; then and in this Case, this Excess must be paid by *London* to *Bristol* in Money, and this Excess or Difference may be paid in the following, or such like Manner, and is called the Ballance of Trade.

THE several Correspondents of the *Bristol* Merchants in *London*, must, at the limited Time of Payment, be in Cash for the Produce of the Goods and Merchandize, sent them from *Bristol*, and must transmit this Ballance to *Bristol*, to compass which they may apply to the Treasury, and know there, if

if any Money is wanting in Exchange of Bills, which Bills to the Amount of what the Receiver General is in Cash for, may be sent to *Bristol*, and the Exchange between these two Places, will be at Par; that is to say, by the Payment of any supposed Sum in Cash at *Bristol*, in Compensation of an equal Sum paid at *London*; and the same Method may be taken with Gentlemen who have Cash in their Receiver's Hands from the Income of their *Somersetshire* Estates.

BUT in my Supposition, there is a considerable Sum due from *London* to *Bristol* more than the King's Revenue, and the Income of Gentlemens Estates, as also that of the Value of the Goods furnished by *London* to *Bristol*; suppose this surplus Sum to be 400,000 l. and offered to the Treasury, and there refused, as the Receiver General is not in Cash for the King's Account; if Application is made to Gentlemen of Estates, they ought to say, that their Stewards are not in Cash for them; the *London* Merchants will then apply to their Neighbours, who will answer that the Ballance of Trade being against *London*, they have no Money at *Bristol*, but yet if three per Cent. is given them, they consent to furnish Bills

78 The ANALYSIS of Bills for the Sum demanded; that is to say, for the Consideration of 103 l. they will give a Bill for 100 l. to be paid at *Bristol*. The *London* Merchants not being willing to run the Risk of sending Money to *Bristol*, will be forced, in order to pay their Debts at *Bristol*, to accept of these Conditions, and the Drawer of such Bill will be obliged to send down to *Bristol* this 100 l. in order to put his Friend there in Cash to pay the Bill drawn upon him, the Expence of which may be ten Shillings, and his Friend's Commission ten Shillings more, in all one Pound; so that this Drawer will have two Pounds clear Profit, which he calls the Consideration payed him for the Risk and Hazard of sending Money to *Bristol*; in this Case, the Exchange between *London* and *Bristol* is stiled three *per Cent.* above Par; because at *London* there is given 103 l. to receive at *Bristol* only 100 l. and at the latter Place the Exchange will be called at three Pounds *per Cent.* under Par, because to receive in *London* 100 l. there will be paid for it at *Bristol* but 97 l.

FROM this Reasoning it appears to me very clear, that that Town or Place where the Exchange is above Par, must be indebted by
Ballance

Ballance of Trade, to that Place where the Exchange is under Par, it therefore seems to me very extraordinary, what is asserted by many People, to wit, that the Price or Course of the Exchange is not a sure Sign to judge the Ballance of Trade to be for, or against a Nation. If the Price of the Exchange at *Lisbon*, *Madrid*, and *Cadix* on *London*, is generally above Par, that is to say, if more *Spanish* and *Portugal* Money is paid for sterling Coin, than it is really and intrinsically worth, it is to me a Demonstration, that *Spain* and *Portugal* are obliged to transmit Bullion to *England* to pay their Debts, and it is also very clear to me, that when the Exchange between *London* and *Paris* is above Par, that is to say in other Words, when we pay in the Price of the Exchange, more Money for their Crown of three Livres, than it is really worth; or that the *French* pay us for our sterling Coin, less than it is really and intrinsically worth, as is now (and has been for these many Years) the Case, we are obliged to send Money or Bullion to *France*, notwithstanding all our heavy Duties and Prohibitions on their Trade.

In all Places where the same Denomination of Coin passes current, as in *London* and
Bristol

Bristol, the Exchange is expressed and known by so much *per Cent.* be the same more or less, either above or under Par; and when 97 l. is only paid at *Bristol* for the Consideration of receiving 100 l. in *London*, it is said that the Exchange at *Bristol* on *London* is three *per Cent.* under Par, and when 100 l. is paid at *London* to receive 100 l. at *Bristol*, the Exchange is said to be at Par; and in all this there does not appear any great Difficulty or Mystery.

BUT, when the Exchange is to be regulated between two Cities or Places where there is a great Difference between their Coins, and where the Coins are of a different Bulk, Fineness, Size and Denomination, the Mystery of this Species of Commerce appears to be more difficult to explain; yet, in fact, this foreign Exchange differs only from that of the inland, in the Jargon made use of by the Traders, who carry on this Business. When these People talk of the Exchange between *London* and *Paris*, they say, so many Sterling Pence for one Crown of three Livres *French* Money; but the Par of the Exchange in Fact is only one hundred Ounces of Gold or Silver, to be paid in Exchange of one hundred

dred Ounces of Gold or Silver, of equal Weight and Fineness; therefore, one hundred and two Ounces of Gold and Silver, paid in *Paris*, in order to be intitled by Bill of Exchange to receive one hundred Ounces of Gold or Silver in *London*, will always be two *per Cent.* above Par. Those who follow this Business ought to know how to calculate the Pars of all Exchanges; but in their Language they say, that between *London* and *Amsterdam* one Pound Sterling for thirty-five Shillings *Dutch*, and between *London* and *Paris* thirty-one Pence Sterling for one Crown of three Livres *Tournois*; this manner of Expression, does not shew whether the Exchange is either under or above Par; but the Merchants who carry on this Trade, and are the Agents made use of to pay the Ballance of the Debts contracted by Nations in their Dealing with each other, know how to calculate, and find their Profit in discovering how much foreign Coin they will receive in Exchange for that of the current Coin of the Country, where they reside, and which must be exported Abroad to pay this Ballance; and it is upon this Basis they regulate the several Courses of the Exchange.

IF the Par of sterling Coin is calculated with the Rubles of *Russia*, the Marc Lubs of *Hamburg*, the German Rix Dollars, the Pounds Flemish of *Flanders*, the Venetian Ducat, the Dollars of *Genoa* and *Leghorn*, the Mill-Rea and Cruzado of *Portugal*, the Piece of Eight and Pistole of *Spain*, &c. this Par with all Countries must ever be 100 Ounces of Gold or Silver, against an equal Number of Ounces of Gold or Silver, of equal Fineness and Weight; and if by the Language made Use of by Merchants who carry on this Business, it is found, that more or less than this Par is given, in fact and reality it is the same Thing, as if they said the Exchange is so much more *per Cent.* higher or so much *per Cent.* lower than Par, which Par of more or less *per Cent.* always follows the Ballance of Trade, in the same Manner, as in the Instance I have given between *London* and *Bristol*, and this Ballance must be paid in Coin, indeed Goods and Merchandizes may do it, but if these Goods and Merchandize are not wanted, or are so dear, as not to afford a Profit, they will not be received, and Cash or Bullion must supply their Place.

COIN

COIN is in Reason and Fact no more than a Commodity, or a Species of Merchandize, which ascertain the Value of every Sort of Purchase, and ought simply to be considered as such, the Prohibition of Exporting it Abroad, will always prove ineffectual, nothing that can be invented will preserve Money in a Country carrying on a foreign Trade, but that of preserving a Ballance in general against foreign Nations.

WHEN the Market Price of Bullion is greater than the standard Price at the Mint, it is to me a sure Sign, no Money can be coined, and that the heavy Money of the Kingdom is melted down, or sent Abroad in real Specie, and that the general Ballance of Trade is against such a Country.

FROM these Explanations it is not difficult to discover, that the Variations in the Course of Exchange are influenced by the Ballance of Trade; indeed, the sending large Sums of Money from one Country to another will have the same Influence on the Exchange, as this Ballance, but this is a Circumstance which only happens when People chuse to employ their

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their spare Money in the public Funds of a Country, or where large Sums are to be paid for foreign Subsidies, but these and the like Cases being a Species of Trade between Nations, do not destroy my Assertion, that the natural and constant Rule, which governs the daily Variations of the Course of Exchange, arises from the Ballance of Commerce.

By what I have here said, it does I think clearly appear, that though the chief Object of Intercourse betwixt Nations, is the mutual Exchange of the Goods and Merchandize of one Nation, with that of another, and that this is carried to a very great Extent, yet from the Consequence of these mutual Dealings, a Necessity arises between Countries of keeping strict Accounts with each other, and that to avoid the Expence, Hazard, and Trouble of sending Money and Bullion backwards and forwards, this Invention of Bills of Exchange, is of excellent Use.

THE Wisdom of all civilized Countries has formed Laws and Customs for the good Government of this Business, the Knowledge (as I have before observed) of the executive Part of this Branch of Trade, is to be acquired by Practice,

TRADE, COMMERCE, &c.

Practice, all that can be expected from me, is to lay down its true Principles and Theory, as briefly as I can, in which I hope to have succeeded. But if these Essays have the good Fortune to merit the Approbation of the Public, I propose from a Number of Calculations by me, collected from a Course of many Years Experience, to publish a small Treatise of Arithmetic, wherein this useful Science shall be fully but briefly explained, also its speculative and practical Utility in the Occurrences of common Life, and vulgarly, and decimally applied, to the several Operations of foreign Exchanges, their Par and Arbitration, all divested from the unintelligible Jargon of Authors, who have hitherto treated this Subject, and as far as I can conceive, did not themselves understand what they meant in their Calculations; or at least if they did, their Intention must be, that they themselves should be applied to for explaining what never could be attained, but by Guess-work, from their Writings.

C H A P. XIX.

Of Trade and Money, particularly Gold, Silver and Copper, their proportional Value and Variations with respect to the Use made of them as Money.

AS Land produces more or less Corn and Grain, in proportion to its Fertility and the Labour had in cultivating and improving it; so Mines of Iron, Lead, Tin, Gold, and Silver produce more or less Oar in proportion to the Richness of their Veins, and the Labour and Expence taken in draining; digging, melting, refining, &c. The Labour attending Gold and Silver Mines is of a very expensive Nature; few People who work at them live more than six or seven Years, and consequently expect to be paid in proportion to the Risk they run.

THE intrinsic and real Value of Metals, as also of all Things in general is proportioned to the Quantity of Land, Labour, and Skill necessarily had to produce them.

THE Value of Metals at Market, as also that of all earthly Products, are at times more

or

or less than their intrinsic Worth; they change and vary in proportion to their more or less Quantity offered for Sale, or in proportion to the greater or less Demand for their Consumption and Uses.

IF Metals were as easily found as Water they would be of little or no Value; Water is of the greatest Use, but as it flows spontaneously, and not to be withheld within the Limits of private Property, and is common to all at the Expence of bringing and conducting; therefore its intrinsic Value is but small.

METALS which are discovered in greatest Abundance and Quantity, and which are cheapest brought to light, are also cheapest at Market: Iron is one of the Metals of the greatest Use, but as its Mines are in great Numbers found in *Europe*, and their Produce brought to light, and wrought into Use at less Expence, Trouble, and Labour than Copper, it is therefore much cheaper.

COPPER, Gold, and Silver are the three Metals which are generally made use of as Coin, or Money; the working Copper-Mines costs less Expence, Risk, and Labour in producing their Oar to light than Gold or Silver;

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 the greater Number of Copper-Mines in proportion to other Countries are now a-days found in *Sweden*; in that Country eighty Ounces of this Metal passes in Exchange for one Ounce of Silver. It must be observed, that the Oar of some Mines is of a better Nature and Quality than the Oar which is produced from others; the *Swedish* and *Japan* Copper is in Nature and Colour of a better Quality than *English*; but Gold and Silver from whatever Mines they are produced, are the same as to Quality and Perfection when fined down.

THE Value of Copper as also that of all other earthly Things, is proportioned to the Value of the Land, Labour, Expence, Risk and Time had in producing them to light.

COPPER (besides the many other Uses it is put to) is made Use of in almost every State, as Money to pass in Exchange for small Payments, in *Sweden* it happens at times when Gold and Silver are scarce, that large Payments must be made in Copper; in the first five Ages of the *Romans*, Copper was the only Money made Use of; Silver came into Fashion about the Year of *Rome* 484, the Proportion
 about

about this Time settled between these two Metals, as 72 is to 1; that is to say, 72 Ounces of Copper was paid for one Ounce of Silver, in 512 of *Rome* as 80 is to 1, in 537 as 64 is to 1, in 586 as 48 is to 1, in that of 672 the Time of *Sylla* as 53 is to 1, in the Time of *Mark Anthony*, 712, as 56 is to 1, and in the Time of *Augustus*, 784, as 75 is to 1, in that of *Nero* the 54th, of our Redemption, as 60 is to 1, that of *Constantine* in 330 according to our present Stile, as 120 is to 1, and in the Time of *Justinian* as 100 is to 1, and ever since this Time this Proportion of Copper to Silver has kept under 100 to 1.

IN these our present Times, Copper with respect to Money is of little Use, but in small Payments, in this respect it is very serviceable, but in coining this Metal into Money, great Care ought to be taken that its proportional Price at Market, with respect to Silver, may as near as possible be observed, if a base Metal is suffered to pass, and this just Proportion broke in upon, the Consequence would be that Foreigners would counterfeit your base Coin, and pour it in upon you in Exchange of your real Specie of Gold and Silver, as was like to have happened by a scandalous Imposition on
 the

90 The ANALYSIS of
the late King *George* the First, to grant a Patent to one *Wood*, for coining Copper for the Use of a neighbouring Kingdom.

GOLD and Silver, like Copper, have a Value in Proportion to the Value of the Land, the Expence, Time, Risk, and Labour had for producing them, and forming them into Use; in *England* the Public pay the Expence of Coining these Pieces of precious Metals into Money, and as this is the Case, their Value will be the same in Ingots, as if they were coined into Species, and they will bear the same Price at Market.

MINES of Silver are found in greater Number than Mines of Gold, and there has been in all Places, and in all Times a Number of Ounces of Silver given in Exchange of one Ounce of Gold, according to the Circumstances of the Times; in *Greece*, the Age of *Rome* 310, the Proportion between Gold and Silver was as 1 is to 13; that is to say, one Ounce of Gold would purchase thirteen Ounces of Silver; in 460 as 1 is to 10, and this Proportion of 1 to 10 seems to have continued to the Time of *Augustus Cæsar*; under *Constantine* the

the Year 330, this Proportion was as 1 is to 13, and in 550 the Age of *Justinian* as 1 is to 14 two fifths. From this Æra History is very obscure as to this Proportion, yet some curious Writers say, that under the *French* Kings, this Proportion was as 1 is to 18, and that in the Reign of *Charles* the Bald, 840, Gold was to Silver as 1 is to 12, and in 1270, it was as 1 is to 10, and in 1361, as 1 is to 12, in 1421, as 1 is to 11, in 1500 as 1 is to 12, in 1600, as 1 is to 12, in 1640, as 1 is to 14, in 1700, as 1 is to 15, in 1730, as 1 is to 14 and an half.

THE large Quantities of Gold and Silver imported into *Europe*, in the last Age, from *Mexico* and *Peru*, have not only greatly increased the Quantities of these precious Metals, but also altered their Proportions; the *Spaniards* fixed it as 1 is to 16, several other States in *Europe* have within a Trifle followed the *Spaniards* Rule.

BUT the only true Method of judging this Proportion between these precious Metals, is, the Market Prices taken at a Medium of thirty or forty Years; for it is impossible to fix it at a Certainty, as these Prices daily vary, and depend

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 depend on the Circumstances of the Times,
 the Taste and Expence of the State, and the
 Luxury of the great Proprietors of Land; but
 yet notwithstanding these Variations, a Me-
 dium is still to be found, which ought to be
 the only Guide to the Directors of all Mints,
 to govern this Proportion in their standing
 Prices: if this Rule is not followed, great Con-
 fusion in the Public will be the Consequence,
 of which there are many Instances in former
 Times, and a very recent one in our own
 Country, where the Pound of Silver of eleven
 Ounces, two Grains fine, sells at the Mint at
 five Shillings and Two-pence the Ounce, but
 where from the Increase of the Quality of
 Gold imported from *Portugal*, this Proportion
 was reduced by the Market, as 1 is to 15, or
 rather as 1 is to 14 and an half, the Price for Silver
 at Market got up to five Shillings and Sixpence
 the Ounce, the Guinea passed at twenty-one
 Shillings and Sixpence; this Inequality of Pro-
 portion gave an Opportunity to many Dealers
 (an Opportunity which these Sort of People
 will never let slip when it offers) of buying up
 all the heavy Silver Coin in the Country, so
 that Silver became so scarce in 1728, that
 People gave a Premium for changing Guineas,
 though this Change was paid them in wore
 out

out Crowns, half Crowns, Shillings, and Six-
 pences. The Trouble and Confusion which this
 introduced into public Circulation, induced
 the Lords of the Treasury to desire the cele-
 brated Sir *Isaac Newton*, who was then Mas-
 ter of the Mint, to look into this Matter, and
 report his Opinion, how this Confusion and
 Disorder was to be remedied.

IN order to compass this, all that was ne-
 cessary to be done, was to compare the Price
 of coined Silver at the Tower with that of the
 Market which had reduced this Proportion
 between Gold and Silver, as 1 is to 15, or
 rather as 1 is to 14 and an half. This Propor-
 tion of 1 to 14 and an half, was fixed in *France*
 in 1726 between Gold and Silver, and continues
 to this Day, and ought to be followed in *England*.

IT is very true, that this Proportion be-
 tween Gold and Silver, may be regulated in a
 different Manner to that which I have men-
 tioned, that is by lowering the Denomination
 of Gold Coin; it is this Method which Sir
Isaac Newton chose in his Report to the Lords
 of the Treasury; but I apprehend this Re-
 medy was not so effectual, and was more dis-
 advantageous to the Public, than that of rais-
 ing

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 ing the Denomination of Silver; it would have
 been more natural to have done this, as the
 Market Price had already done, than to have
 lowered that of Gold Coin, with respect to the
 Public's Connections with foreign Nations.

LET it be supposed that *England* owed to
 Foreigners five Millions employed in the Funds,
 and it may be equally supposed that this five
 Millions was paid in Gold, in Proportion to
 the Guineas passing at twenty-one Shillings
 and Sixpence, or else in Silver at the Rate of
 five Shillings and Sixpence the Ounce.

THESE five Millions must consequently have
 stood to Foreigners at the Rate of twenty-one
 Shillings and Sixpence the Guinea, four Mil-
 lions, six Hundred, fifty-one Thousand, one
 Hundred and sixty-three Guineas; but now
 that the Guinea is reduced in Denomination
 to twenty-one Shillings, this foreign Capital
 of five Millions must be paid by four Millions
 seven Hundred, and sixty-one Thousand, nine
 Hundred and four Guineas, which leaves a
 Loss to *England* of one Hundred and ten
 Thousand, seven Hundred and forty-one
 Guineas, and that exclusive of the annual In-
 terest of this Fund of five Millions.

THIS

THIS Objection was laid before Sir *Isaac
 Newton*, and all that he could say to it, was,
 that by the established Laws of this King-
 dom, Silver was the only fixed Coin of the
 Country, and as such could not be altered.

BUT this great Man did not, or more likely
 would not enter into the Consideration that
 this established Law was already broke in
 upon by the Market Price of Silver, and that
 therefore this Law was really of no Effect,
 and the Observance thereof ought not to ex-
 tend its Force to the manifest Prejudice of
 the Public, by obliging them to pay to Fo-
 reigners more than they really were indebted
 to them; and if Silver had been raised in De-
 nomination equal to the Market Price, and
 Gold to have remained on its old Footing,
 the Public would have sustained no Loss, and
 there would have remained great Abundance
 of Silver in Circulation. Until some Reforma-
 tion of this Sort takes Place, Silver will not be
 coined, but for some temporary Parade or
 Shew; for, can it be expected, where the
 Market Price affords Five Shillings and Six-
 pence for the Ounce of Silver, People will
 carry it to the Tower, and there receive but
 five

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 five Shillings and Two-Pence for the same
 Ounce. Therefore, I submit it, that the
 Market-Price for Gold and Silver, is the only
 true and natural Way of settling the Propor-
 tion between these valuable Metals: this I
 am certain, that Experience in Commerce
 shews it is so; but if this is not thought pro-
 per to be done, the Guinea must be lowered
 to twenty Shillings, though it will be attended
 with this bad Consequence of doubling the
 Loss above-mentioned to the Public when Fo-
 reigners take their Money out of our Funds;
 for this Reason I cannot help thinking, that
 as the Market-Price for Gold and Silver is the
 true Rule of ascertaining its proportional Va-
 lue, as also the proportional Value of all
 earthly Products, I say, I cannot help but be-
 ing of Opinion, that if Sir *Isaac Newton* had
 reported that the Guinea was to remain at
 2s. and 6d. and that Silver ought to have
 been raised in Denomination in order to
 bring its Proportion to Gold as one is to
 fourteen and an half, it had been less disadvan-
 tageous to the Public than the Method he was
 pleased to take, and would have prevented
 the Inconvenience which now actually subsists
 in the Public, of the Scarcity of Silver.

THESE

THESE Metals of Gold, Silver, and Copper
 are the fittest Materials for Money, they have
 all the Properties of a standard Measure, they
 ascertain and regulate the Value of all Things,
 not as Pledges to be redeemed, but as an
 equivalent in all Purchases, and as such
 pass from one Hand to another; their Value
 is permanent or unalterable, though their
 more or less Quantity in Exchange of other
 Things, are subject to daily Variations, ac-
 cording to the Circumstance of the Times,
 and the Manner of living of the Age; Gold
 and Silver are divisible into minute Parts, and
 may be again reunited together in a greater
 Mass, they are durable and susceptible of any
 Form, and convertible to Utensils of any Shape
 or Size, and from these into Money again,
 and when refined, are of equal Goodness;
 every where; I mean Gold and Silver, for as
 to Copper, properly speaking, it is only a
 Commodity reduced into Pieces for the Con-
 venience of small Payments.

GOLD and Silver are seldom found pure,
 they are fined by Art, and when reduced to
 Purity are called fine Gold, and fine Silver;
 but when coined, there is a certain Quantity
 of Copper mixed with them, and this Mix-

H ture

98 The ANALYSIS of
 ture is called Alloy, and it is according to the more or less Quantity of this Alloy, that these precious Metals are called of such and such a Fineness. In *England* a Quantity of Silver, containing eleven Parts of pure Silver, and one Part of Copper, is called eleven twelfths sterling fine, or eleven Ounces fine, the Pound is here subdivided into twelve Ounces, and this Pound of Silver contains eleven Ounces, Two-penny Weight of fine Silver, and eighteen Penny Weight of Alloy, and is coined into sixty-two Shillings. The present Standard of our Gold is eleven Parts of fine Gold; and one Part Alloy; and forty-four Guineas and a half are cut out of a Pound of Gold, a Guinea is equal to one forty-fourth Part and a half of eleven Ounces of fine Gold, the highest degree of pure Gold is called twenty-four Carrats; and it is necessary to remember, that by the Standard of Money, is understood the Quantity of pure Metal contained in any given Sum.

I HAVE before mentioned, that the *French* have fixed their Proportion between Gold and Silver; as 1 is to 14 and an half, their Louisdore is twenty-two Carrats fine, of which thirty are equal to a Mark of eight Ounces
French

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French Weight, and equal to 3780 Grains Troy Weight, consequently one Louisdore equals 126 Grains Troy.

THE *English* Guinea is 22 Carrats fine, and weighs 129 Grains and a half, and passes in Denomination for twenty-one Shillings; now comparing 129 Grains and an half, with 126 Grains, the Louisdore is really worth but twenty Shillings and Sixpence sterling, and the *French* Livre is the twenty-fourth Part of the Louisdore, and of course equal but to Tenpence farthing *English*. The Course of the Exchange between *Paris* and *London*, since the Year 1726, has been at a medium Price of thirty-two Pence sterling for the Crown of three Livres, (and is now by *Castaing's* Paper of the fourteenth of *July*, 1758, at 31 and an half, and the Price of standard Silver in Bars 5s. 7d. Three-farthings, and that of Gold in Bars 3l. 18s. 6d.) that is to say, we pay for this *French* Crown of three Livres, thirty-two Pence sterling when calculated on Gold, when in fact it is worth but thirty Pence and three Farthings, and is giving four Pounds in the Hundred for this *French* Money, and consequently upon Gold, the Ballance of Trade is

H 2 four

100 The ANALYSIS of
four per Cent against England in Favour of
France.

THE *French* Mark of Silver equals seven
Ounces seventeen Penny-Weight and twelve
Grains *English*, out of this Mark by the
French King's Edict of the fifteenth of *June*,
1726, he orders eight and three eights
Crowns to be coined, each Crown to pass in
Denomination for six Livres; consequently
the Mark is equal to fifty Livres five Sou's,
but it must be observed that the *French* Pound
of Silver, contains but eleven Ounces standard,
whereas our Standard is eleven Ounces two-
penny Weight fine, and consequently two
penny Weight finer than *French*, and reduces
the Value of this *French* Coin to five Shillings
one Penny half-penny the Ounce; our Ounce
is intrinsically worth sixty-two Pence, there-
fore their Mark of Silver can give intrinsically
no more than forty Shillings and eight Pence
Halfpenny sterling, from whence, an Equa-
tion arises, which shews the true Par of the
Exchange on Silver, between *London* and
Paris, to be no more than thirty-nine Pence
and one Farthing Sterling for the *French* Crown
Piece; though we have given all the Time we had
any heavy Silver in Circulation, for this *French*
Crown

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Crown of three Livres thirty-two Pence Ster-
ling, and consequently within a mere Trifle
of ten Pounds in the Hundred more than its
Value; a prodigious Sum upon the total Va-
lue or Amount of our Trade with that Coun-
try.

SUPPOSE a *French* Banker in *Paris*, in
Possession of an Ingot of Gold, weighing six
Marks and three fourths twenty-two Carrats
fine, purchased at the Mint-Price for Gold of
seven hundred and twenty Livres each Mark,
making four Thousand, eight Hundred and
sixty Livres, these six and quarter Marks,
are to a mere Trifle equal to fifty-three Troy
Ounces, and consequently will produce at
our Mint, at the Rate of three Pounds eight-
teen Shillings the Ounce, two hundred and six
Pounds thirteen Shillings and Four-pence.
Suppose these fifty-three Ounces paid for new
coined Silver, it will give eight hundred Oun-
ces of this Metal. Suppose these eight hun-
dred Ounces of Silver sent to *Paris*, either
in Specie, or by running it into a Bar, they
will produce eight hundred and fifty-one
Pieces and one third of *French* Crowns of
six Livres each, and of course five thousand
one hundred and seven Livres, which Sum
H 3 returned

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 returned to *London* by Bill of Exchange, at
 the Rate of thirty-two Pence sterling the *French*
 Crown of three Livres, will give two hundred
 and twenty-six Pounds nineteen Shillings and
 Seven-pence sterling in *London*, and conse-
 quently be a Profit of twenty Pounds, six Shil-
 lings and Three-pence (about ten *per Cent.*)
 and an Opportunity to Money-Dealers of get-
 ting great Sums at the Expence of the Public,
 whilst this unequal Proportion between Gold
 and Silver subsists, and that there is a Shilling
 of heavy Silver left in Circulation, and too
 great a Temptation for Clerks and other in-
 ferior Persons of getting Money upon a new
 Coinage of Silver; all which is humbly sub-
 mitted.

C H A P. XX.

*Of the Increase and Decrease of Coin in
 Denomination.*

IN Chapter the Sixteenth I have explained
 the Effect which the Increase and De-
 crease of Bullion produces in a trading Coun-
 try, here I shall consider, that of the Increase
 and Decrease of Coin in Denomination, as it
 has

has happened in *France*. Suppose the *French*
 King by public Edict, commands a new Coin-
 age, and orders that the Ounce of Silver to
 be coined, shall pass in Currency of Payments
 for a Crown of five Livres, and commands
 that the old Money or Ounce of Silver, shall
 not be received at his Mint, but at the Rate
 of four Livres, and that the Prices of all other
 Bullion shall be regulated by the same Pro-
 portion.

IF the Ballance of Trade happens at this
 Time to be against *France*, this new Regu-
 lation will not have the Effect expected from
 it, because the old Crown or Ounce of Silver
 will intrinsically be of as much worth in the
 Payment of this Ballance as the new Crown;
 and foreign Nations where *France* is indebted,
 will be satisfied to receive the old Crown at
 the same Rate with the new Crown; an
 Ounce of Silver of the same Weight and
 Fineness being equal to another Ounce of
 Silver.

BUT it may happen that at the Commence-
 ment of this new Regulation some Profit will
 arise to the Mint from the Necessity of inland
 and domestic Payments, which will oblige the

104 The ANALYSIS of ignorant and middling Rank of People to carry their old Money and Bullion to be coined into a new Specie: But the Merchants and Exchangers, being the Persons employed for the Payment of this Ballance due from *France*, they will give a Premium from ten to eighteen Sols in new Money, for the old; that is, they will give four Livres ten Sols to four Livres eighteen Sols, in new coined Money, for the old Coin or Bullion which is received at the Mint, but at the Rate of four Livres, the Ounce; and when by these Purchases, the old Money is exhausted, and none of it to be found, these Exchangers will be obliged to export the new Coin, supposing the Ballance of Trade is and continues against *France*.

THEREFORE, in this Case, the new Regulation between new and old Money will not answer the proposed Profits of the Mint, any longer than the immediate Barter of the middling People, and their Fear of disobeying the King's Ordonnance, oblige them to it, which seldom exceeds eight or ten Months; and then the Mint (the Ballance of Trade being against *France*) hears no more of its projected Profits.

BUT

BUT if *France* has this Ballance of Trade in its Favour, not only the ignorant and middling People but also the Merchant and Bankers, who carry on the Trade of Money, will carry Bullion into the Mint, there to be coined into new Specie; and the old Specie will have no Currency in Barter or Exchange, as foreign Nations are, upon this Supposition, indebted to *France*; but it must by the Nature of Things happen, that rich People will lock up their Money of old Specie, rather than lose twenty *per Cent.* by exchanging it for new Specie; that is, by selling their old Coin at four Livres the Ounce, to be paid in an Ounce of Silver which passes in Denomination for five Livres; whereas this new Coin is intrinsically and really worth no more than four Livres.

SUPPOSE the circulating Cash at *Paris*, before this new Regulation, was ten Millions of Ounces in Silver, and that two Millions of these ten were locked up or buried; the ten Millions, at four Livres the Ounce, will be worth forty Millions in Denomination, but two Millions of this forty is locked up; and consequently there will be a Fifth less in Circulation,

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 culation, and the eight Millions remaining
 consists partly of old and new coined Money:
 yet by degrees the old Money will be coined
 (except the two Millions locked up) into new
 Specie of five Livres in Denomination, which
 will make forty Millions in Denomination.

UPON my Supposition there were forty
 Millions of Livres in Circulation before the
 new Coinage, and by this new Regulation
 there are forty Millions in Denomination also
 circulating, and as the Ballance of Trade is in
 Favour of *France*, the Prices of Labour, Pro-
 visions and Goods will be on the same Foot-
 ing, as to Denomination, as they were before;
 consequently forty Millions in Denomination
 of Coin circulated the Trade of *Paris*, before
 the Augmentation, as forty Millions in Deno-
 mination carried it on afterwards; and it fol-
 lows (all Things being equal) that the Livre
 will purchase or pass for as much in Barter as
 it did before this Alteration. Nevertheless,
 this new Coin is in real and intrinsic Value
 one Fifth less than the old, and there is one
 Fifth less of real and intrinsic Specie in Cir-
 culation, as there was two Millions of the old
 Coin locked up; therefore as the Ballance of
 Trade is in Favour of *France*, one answers the
 other, BUT

BUT let it be supposed that in about a Year
 after this new Coinage, when it appears that
 no Bullion is carried to the Mint, that the
 old Crown is received and ordered to pass for
 five Livres, equal with the new, and that
 Bullion shall be received for Coinage at the
 Mint at a proportional Rate; consequently
 the two Millions of old Money, which was
 locked up, will be brought into Circulation,
 and will equal ten Millions of Livres in De-
 nomination, there will then be fifty Millions
 of Livres circulating, instead of forty, and the
 real and intrinsic Quantity of Silver in the
 Channels of Commerce, will equal what it
 was before this Alteration: It follows that
 the Prices of Goods and Merchandize will
 equal what they were at before, with regard
 to real and intrinsic Specie; but yet they will
 be one Fifth dearer in Denomination of Coin.

TEN Millions in Ounces of Silver con-
 ducted the Channels of Commerce, before
 the new Coinage, and they passed for forty
 Millions in Denomination, but were after-
 wards ordered to pass for fifty; though these
 fifty Millions in new Coin were really and
 intrinsically twenty *per Cent.* less in Value than
 the old Specie. BY

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By these Explanations, the Effects produced in *France* by raising the Denomination of Coin are easily seen, when that Country has the Ballance of Trade in its Favour, and consequently when Money or Bullion is not sent to foreign Parts. I shall now consider the Effect produced in the Public by raising the Denomination of Coin, in consequence of several preceding Diminutions, as they have happened in *France* in these our latter Days.

WHEN by the *French* King's Edict the circulating Coin was to receive several monthly Diminutions, Merchants and foreign Traders increased their Undertakings, and stored themselves with a superabundant Quantity of Goods, rather than, as they imagined, to suffer the Loss in the Fall of their Money in Denomination, and kept up the Prices of these Goods at a very high Rate, equal, or above the several Diminutions the Coin was ordered to bear; so that Foreigners were discouraged from dealing with them, from the high Price the Produce of *France* was raised to; and in this Case the Ballance of Trade gradually turned against *France*, and its Money and Bullion would be exported to foreign Nations;

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Nations; the Exchange would be by eight to twelve *per Cent.* higher than Par, from the violent Demand raised in the Public to transmit their Money Abroad, rather than suffer by these projected Diminutions; and besides this Loss to *France* from the Exportation of its Specie, many of its rich Inhabitants would run the Risk of disobeying their King's Ordonnance by locking up their Money: From all these Effects the Coin of the Country would become very scarce, and Merchants loaded with foreign Products, as also with those of their own native Produce, consequently a gradual Decrease in their Price must follow, and many Bankruptcies among Merchants must ensue, by the Consequence of the Fall in the Price of Goods and Merchandize, with which they had superabundantly stored themselves, to avoid the Loss upon the Diminution of Coin, as was the Case in *France* in 1716, when Mr. *Law* there established his Bank. But *France* being thus overstocked with Goods, she would not require to be furnished from Abroad; but Foreigners being from this Superabundance of Merchandize enabled to purchase its Produce at very cheap Rates, they consequently would employ their Funds of Money to this Purpose, and the
Bal-

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 Ballance of Trade would take its Turn again
 in Favour of *France*. But as this Ballance
 never produces its Effects but by slow and
 gradual Degrees (except in War-time, when
 by some sudden Acquisition of Wealth, al-
 ways destructive to the Good of the Society
 in general) and Money increasing by the same
 Progression, the Price of Goods would hold
 their natural Proportion therewith; and if
 under the Circumstances of *France's* having
 the Ballance of Trade in its Favour, the Mint
 receiving Bullion at twenty *per Cent.* less than
 its real and intrinsic Value; yet the Cheapness
 of the Prices of Goods will force People to
 bring their Money to the Mint to be there
 coined, though at a Loss of twenty *per Cent.*
 which Loss is repaired to Foreigners by the
 Cheapness of the Prices of Merchandize; and
 even these Foreigners are enabled to purchase
 the Produce of their own Country (which the
French preceding the Diminution of their
 Coin, overloaded themselves with) at forty
 to fifty *per Cent.* cheaper than what they can
 purchase at home.

THE Affairs of *France* being thus situated,
 the Mint from these several Circumstances
 will avail itself of this Profit of twenty *per Cent.*
 on

TRADE, COMMERCE, &c. 111
 on Coinage; and Foreigners who are indebted
 to *France* must pay their several Ballances in
 real Value of Gold and Silver, which will not
 be received but at the Mint Prices, and by the
 Courses of Exchange will be regulated by the
 Prices at the Mint, and not by the intrinsic
 Worth of Gold and Silver: But this Profit of
 twenty *per Cent.* gained by the Mint would
 be attended with this very fatal Consequence,
 of tempting Foreigners to counterfeit the Coin
 of *France*, which they would certainly do to
 gain twenty *per Cent.* And besides, the Prices
 of Goods and Merchandize continuing cheap,
 they would avail themselves of this Advantage,
 as also of the Profit of twenty *per Cent.* im-
 posed on the Public; consequently this Tax
 thus imposed is ruinous to the Society, tho'
 at first View it carries the Appearance of a
 a Gain of twenty *per Cent.* to the Kingdom.

FROM this Reasoning it is clear to me, that
 when the Denomination of Coins are once
 well and proportionally fixed, all Rises and
 Falls are ruinous Schemes to the State; and
 though the King may at times profit thereby,
 yet it is a Profit gained at the Expence of his
 Kingdoms, and that of his Subjects, it is a Gain
 beneath his Dignity and that of the Reputa-
 tion

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 tion of his State; Experience shewing such
 Alterations productive of infinite Confusion
 to the Individuals of the Society, and is ac-
 companied with the Dishonour of impressing
 a Prince's Effigy on a counterfeit Coin, be-
 sides being a Breach of Faith, in calling a
 Thing what it is not.

Sir *Robert Cotton* in a Speech made by him
 in Parliament, in the Reign of *Charles* the
 First, on this Subject of raising and falling the
 Denomination of Coin, says, That Wealth is
 one of the essential Marks of a Kingdom's
 Greatness, and ought to be apparent in the
 Purity and Measure of their Coin, and while
 Kingdoms hold up their Glory and Greatness,
 they maintain their Standard of Coin: but
 when Necessity induces them to alter this
 Standard, then by degrees, the Majesty of
 Empire decays; and the Steps to such a De-
 cay are seen by the gradual Alterations of the
 Coin, as the Corruption of Money is a sure
 Symptom of the Corruption of a State.

THE repeated Alterations in raising and
 falling the Denomination of Coin in the King-
 of *Arragon*, exasperated the People to take
 Arms against their Sovereign *Peter* the XIth,
 who

who upon this Occasion consulting Pope *In-
 nocent* the Second, what to do; the Pontiff
 gave his Opinion, that a Prince being subject
 to the Laws of Nations, ought, as being Se-
 curity for the Public Faith, to take care that
 there be not any Alteration in the current
 Coin of his Kingdom, either in Matter, Form,
 or Quality; neither can any Country be under
 good Oeconomy, where the Coinage is not
 pure and just.

THIS wholesome Advice, if regularly at-
 tended to, will keep Coin as to its intrinsic
 Worth and Value, as also as to its Denomi-
 nation, in a just Proportion with other Na-
 tions; which I apprehend proves what I have
 asserted, with respect to *Ireland*, in Chapter
 the eighteenth, that if the Proprietors of Land
 in that Country would reflect upon the Nature
 of Gold and Silver, and the Use which is made
 of it in the Channels of Commerce, they
 would find it the Interest of their Country in
 general, to reduce the Denominations of their
 Coin (which with respect to intrinsic Value
 of Weight and Fineness is the same with
Great Britain) to the same Currency as it
 passes for in *England*: for all Denominations
 of Coin, either more or less than intrinsic
 I Worth,

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 Worth, of Weight and Fineness, is destructive
 to a commercial Nation, with respect to its
 Neighbours, who are sure to take Advantage
 of any mistaken Regulation in this Respect:
 For Coin is the Rule and Measure of all
 Transactions in Commerce, and when once
 well fixed, an Innovation therein disorders
 Commerce, and puts the Commonwealth, as
 it were, out of itself.

CHAPTER XXI.

*All Orders of Men in a Community or State,
 subsist and are enriched at the Expence of
 the Proprietors of Land.*

THERE are none but the King, and the
 great Proprietors of Land, who pro-
 perly can be said, to live in a Kingdom inde-
 pendent; all other Persons and Inhabitants
 are such who are supported by Hire, or are
 Adventurers in Trade or Business; if the
 King and the Proprietors of Land once lose
 their Estates, and will not suffer them to be
 cultivated and improved, it is clear that there
 would be neither Food nor Rayment for any
 of

of the Inhabitants; consequently all the Indi-
 viduals are supported at the Expence of the
 said Proprietors, for whose Account, and at
 whose Expence these Lands are cultivated, as
 the Source or Stock from whence all Subsist-
 ence and Support is produced and wrought
 into Form for Use. Farmers who rent Land
 generally reserve to themselves two Thirds of
 its Produce; one Third for the Support and
 Maintenance of themselves and their La-
 bourers, and the other as the Profit and Risk
 of their Undertaking; these two Thirds are
 applied in general to the Support of those who
 live by their Labour and Industry in Villages
 near such Estates, as also to the Support of
 several Mechanicks or Adventurers in Towns
 and Cities, who dispose of their Goods and
 Merchandize in the Country: The remaining
 Third is reserved to the Proprietor, as the
 Consideration which such Farmers pay for
 the Liberty of cultivating his Estate; this is
 generally laid out by the Landlord with his
 Tradesmen and others whom he employs in
 Cities and Towns, as also with those he
 employs to carry the Produce of the Country
 to the City.

It is generally calculated that one half of
 the Inhabitants of a Kingdom subsist and take
 their

116 The ANALYSIS of their Abode in Cities, and the other half live in the Country; on this Supposition, the Farmer, who reserves to himself two Rents, pays either directly or indirectly, one sixth to the Citizens, in Exchange of the Goods and Implements of Husbandry, &c. had from thence: This Sixth with the one Third reserved by the Proprietor of the Land for his Rent is laid out in the City, and make near one Half of the Produce of the whole Estate. This Calculation is only to convey a general Idea of the Proportion of Expence between Town and Country; but in fact, if half of the Inhabitants of the Kingdom live in Cities they must consume more of the Land's Produce, as they eat and drink better, and are better cloathed, than those who reside in the Country; but let this Matter be how it will, if we examine the Means by which an Inhabitant is supported, it will always appear, in returning back to the Fountain - Head, that these Means arise from Land, and consequently from its Proprietors, either in the two Thirds reserved by the Farmer, or from the one Third reserved for the Rent to the Landlord.

CITIES

CITIES abound with Merchants, Manufacturers, Artists, and Mechanicks, who are aided in their Support and Subsistence by foreign Commerce; but yet this Subsistence and Support is acquired at the Expence of the Proprietors of Land, who live in foreign Countries. At present I only consider a State from its native Produce, compared with the Proportion it bears to the Labour and Industry of the Inhabitants; and as the Land belongs to its Proprietors, this Land would be useless and insignificant to them if it was not cultivated; the higher this Cultivation is carried the greater and more valuable will be its Produce, when wrought up for Consumption and Use: From hence arises the mutual Advantage between the great Proprietors of Land and the other Members of the Community; and this begets a mutual Dependance, as they reciprocally stand in need of each other's Assistance; it therefore becomes the essential Interest of the great Proprietors of Land, who are our Law-givers, to take the greatest Care, by just and equal Institutions, that the Farmer and Labourer may be protected, encouraged and eased of all Taxes on Labour and Industry; for the Value

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of this Labour and Industry depends on the
Modes, Fashion, Manner of Living, and
Luxury of the landed Gentlemen. It is mu-
tual Want and Necessity which creates Sub-
sistence, the Farmer and all Adventurers in
Trade and Business, the Merchants, the Of-
ficers, the Army, the Navy, and all other
Orders of Men, serve and are useful not only
to the Prince and the Proprietors of Land, but
also to one another, in a reciprocal Ratio;
and this nice Relation seemingly enables se-
veral to live at their own Expence, without
the immediate Intervention of the Proprietors
of Land: Though it is very certain, that it
is from this fruitful Source all Subsistence and
Riches are had; yet as this reciprocal and
mutual Dependence between the Inhabitants
of a Kingdom does not at first Sight strike the
Imagination, a Distinction is begot between
the landed and monied Interest of a King-
dom, very hurtful to the Interest of the Com-
munity in general.

CHAP.

CHAP. XXII.

*The Increase and Decrease of the Number of
People in a State or Kingdom, principally
depend on the Manner of Living of the Age,
the Taste and Luxury of the great Proprie-
tors of Land.*

EXperience has shewn, that all Sorts of
Trees, Plants and other Vegetables, are
to be multiplied and increased to any Quan-
tity or Number, in Proportion to the Extent
of Ground employed or laid out for raising
and nourishing them.

THE same Experience has also shewn, that
all Kinds of the Animal Creation, such as
Horses, Cows, Oxen, Sheep, &c. are to be
increased and multiplied to any Number or
Quality, in Proportion to the Land allotted
for their Support; and that this Land by Ma-
nure is capable of being cultivated and laid
down to produce this Nourishment and Food
for the four Seasons in the Year. In short, this
Increase of the Animal Creation may be car-
ried to an infinite Series, if it was possible to
allot a sufficient Quantity of Land for their
Maintenance; and I apprehend it is not to

be disputed, but the human Species may be increased and multiplied to a Series of Increase equal to the Capacity and Fertility of the Soil, capable of producing, by Labour and Agriculture, their Nourishment and Support.

THERE is no Country where Population is carried to a greater Height than in *China*, the common People are supported by Rice, their Cloathing is chiefly of Cloth made of Cotton, which grows in such Abundance, that it is said an Acre of Land is capable of producing a Quantity full sufficient for the Cloathing of five hundred grown-up Persons; the *Chinese* by the Principles of their Religion are obliged to marry, and to bring up as many Children as their Circumstances and Means of Subsistence will afford; they look upon it as a Crime to lay Land out in Pleasure-Gardens and Parks, defrauding the Public of so much Land capable of producing the Maintenance of so many Men; and the Number of Horses employed in the necessary Culture of the Earth is incredible, for they chuse to give their own Labour in carrying Travellers backwards and forwards, rather than to suffer these Animals to ease them of this Trouble; yet these People, if the Relation of
Voyages

Voyages is to be depended upon, destroy their Children in the Cradle, when they apprehend themselves in such Circumstances as not to be able to support and bring them up; and yet they are indefatigable in their Labour and Industry for obtaining, both from Land and Water, every thing of Nourishment these Elements are capable of yielding.

ON the other hand, there is no Country in the World where Population is so limited, as in the interior Parts of *America*, inhabited by Savages, where Agriculture and the cultivating of the Earth is unknown: These People live in Woods and Forrests, and their Subsistence is the Flesh of wild Beasts: Their Forrests destroy the Sweetness and natural Produce of the Earth; and consequently a much greater Quantity of uncultivated Land must be had for the Support of these wild Beasts, than if this Land had been cleared; this puts these poor Savages under a Necessity very frequently of waging war against each other, to extend their hunting Districts, as they must have a proportional Quantity of Land, equal to these Means of supporting the Number of People under the Command of their several Chieftains or Kings.

THE *Europeans* by Agriculture and Industry obtain the Nourishment and Support of Life; their Land produces to them Wheat, Barley, Oats, &c. besides several wholesome and nourishing Roots and Plants; the Wool of their Sheep is wrought into Cloathing, but the Quantity and Quality of these several Produces are different, and more or less abundant according to the Fertility and Situation of the Soil, or the Genius and Manner of Living of the Proprietors of the Land, on whom only, by the Encouragement which is in their Power to give, depend the Increase of Population, by allotting certain Quantities of their Land to the Maintenance of Posterity, and consequently to the Encouragement of Matrimony, to which Men and Women are by Nature inclined.

BUT if the King or these great Proprietors of Land allot their Possessions otherwise than to the necessary and comfortable Support of the human Species, in order to gratify their Taste and luxuriant Appetites, they determine the Farmer to apply and cultivate this Land which they rent, to produce that which, from the great Prices given at Market, will answer the Call and Manner of Living of the Age.

IF

IF the Proprietors of Land laid out the Means of Support and Maintenance for Posterity, an Age would carry Population to a very great Series of Extent, and in Proportion to the Quantity of Land capable from its Produce to support the Number of Inhabitants: In the Northern Parts of the World the Land is less fruitful than in the South, yet it is known, that these Northern People have swarmed in Multitudes, and obtained by Conquest Southern Possessions; it is the Manner of Living of the People which determines the Point, and the Quantity of Land allotted to them for procuring this Living: It is calculated that four hundred Thousand Souls are to be maintained with the Produce of as much Land as in the present Method of Living in this Country is applied to the Support of one hundred Thousand. A Man who lives upon the Produce of an Acre and an half of Land, may be stronger and stouter than he who spends the Produce of five or ten Acres of Land; it therefore seems pretty clear, that the Number of Inhabitants of a State depend on the Means allotted them of obtaining their Support; and as this Means of Subsistence arises from the Methods and Manner of cultivating

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tivating the Earth, and this Method de-
pends principally on the Pleasure, Custom,
Taste, and Manner of Living of the great
Proprietors of Land, the Increase and De-
crease of Population, also stand on the same
Foundation.

In short, the true and natural Way of en-
creasing Population in a State, is to find Em-
ployment for its Inhabitants, and to appro-
priate a sufficient Quantity of Land, from
which by Labour, Agriculture, and Industry,
they may obtain the Means of their Support
and secure it to their Posterity.

C H A P. XXIII.

Of Inland and Foreign Trade.

COMMERCE or Trade, is the useful and
necessary Relation of the human Species
to each other.

THIS necessary and mutual Relation is as
old as the first Age of the Creation, no So-
ciety of Men could support themselves, with-
out mutual good Offices, therefore I conclude
Com-

TRADE, COMMERCE, &c. 125

Commerce to be as old as the first Age of the
World.

IN the Nature of the Affairs of this Life,
there are two Species of Trade, the one Domef-
tic and the other Foreign; the first supports the
mutual Interest of the Society, the latter,
the Relation which foreign Nations have to
each other.

THE Barter of the Produce of the Counties
of *England*, and the Countries thereunto
belonging with each other, is called Domef-
tic Trade.

THE Exchange of the general Produce of
all *England*, and its Dominions, with other
Nations, is called foreign Commerce. A
State or Kingdom bartering or exchanging the
superior Value of the Produce of its Land
against that of Foreign Nations, gets the Ad-
vantage of Trade in its Favour.

A Nation disposing of the native Produce
of its Labour, such as that of Tin, Lead,
Coals, Corn, &c. against that of other Coun-
tries, its Inhabitants for so much as this na-
tive

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tive Produce amounts to, are maintained at
the Expence of foreign Countries.

THE Point which determines the superior Riches of one Country compared with that of another is, its superior Quantity of Bullion, its reserved Stock of Goods, &c. Merchandize in Store-houses, Magazines and Granaries, to answer and supply the natural Accidents which States or Kingdoms are subject to; Gold and Silver are the Measures or Equivalent to purchase all Necessaries, even from the Enemies of the State, and the superior Quantity of these precious Metals reserved for Circulation for the Time of Danger, is the true Point which determines the superior Riches of one Nation over another.

ALL Individuals of a State who exercise Professions, and are Adventurers in Trade and Business, carry them on at Risk and Hazard; the Farmer contracts to pay his Landlord a certain fixed Rent, for a Term of Years, and runs the Risk of the Land's Produce, and the more or less Price of the Market. There is no absolute foreseeing them, nor that of the Increase or Decrease of the human Species, in the Course of the current Year, nor the Increase

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crease and Decrease of the Expences of Families, yet the Value of the Farmer's Produce at Market, depends on these Circumstances, and consequently his Undertaking is carried on with Uncertainty and Risk.

FACTORS, Butchers, Bakers, Corn Chandlers, Farmers, Wool Staplers, Brewers, and Retailers of all Sorts and Sizes; buy the Produce of the Land at the certain fixed Price of the Day, and must run the Risk of reimbursing themselves, at the Uncertainty of other Markets, in Cities, Towns, and Villages.

THE Professors of Arts and Sciences, exercise their Professions at Hazard and Risk, such as Painters, Physicians, Lawyers, &c. and have very uncertain Stipends from the Public.

IT is the Taste and Manner of Living, of the great Proprietors of Land, which either encourage or discourage the different Labour and Industry of the Inhabitants of the Community.

THE Dress and Manner of Living at Court, are followed by its Dependants, and descend to all other Members of the Society; it is not
to

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 to be doubted, but that the Sovereign can by
 his own Example, prevent the Consumption
 of foreign Commodities, and consequently
 their Importation, if he is pleased only to make
 use of that, which his own Country produces;
 it is therefore in the Power of the Court, and
 the great Proprietors of Land, to determine
 the Industry and Labour of the Inhabitants of
 a Kingdom.

IN order to come at a precise Knowledge
 of the Advantages and Disadvantages, arising
 to a Nation from its foreign Commerce, the
 Effects of each Branch of our Trade with fo-
 reign Nations must be thoroughly examined,
 an Account may be stated, and the Value of
 the Land and Labour employed to bring forth
 each of our Products exported abroad, may
 be taken on one Side, the Value of our Im-
 ports, with the consequential Effects of their
 Consumption may be stated on the other Side,
 and this being done with every State, to which
 our Trade and Commerce is extended a
 general Ballance may then be struck, which
 would be a sure Guide to Ministers of State
 in their proper Departments, to govern the
 Encouragement and Discouragement, to be
 given to the several Branches of their Coun-
 try's

try's Commerce, this Knowledge is not to be
 discovered by general Reasoning, a Kingdom
 may suffer by its particular Trade with another
 Nation, but no just Conclusion can be made
 from one, two, or three Instances.

THE *Dutch* have a considerable Ballance
 against them in their Trade with *France*, yet
 this Ballance with a very great Addition, is
 repaid them from the Produce of *French* Mer-
 chandize, which they dispose of to other Na-
 tions. Most Authors who have treated this
 Subject of Trade, particularly in the Reigns
 of *Charles* and *James* the Second, King *Wil-*
liam and Queen *Anne*, misled their Readers,
 and raised public Prejudices to answer the Pur-
 poses of Party Rage, without considering
 what Use was had, or made of the Importa-
 tions which brought the Amount of one Side
 against the other: Remedies were proposed,
 such as Prohibitions and heavy Duties on Im-
 ports: This was mistaking an Effect for a
 Cause, and increasing the Malady by establish-
 ing in the Channels of Trade, Smuggling,
 Perjury and Corruption; and forcing, in a man-
 ner, the *French* to set up a Woollen Manu-
 factory, which probably they never would
 have thought of, as the Cultivation of Vine-
 yards

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yards and raising Silk was more suitable to the
Genius of their People. For it is upon the
Whole of a Nation's Trade the Account must
be taken, whereby it must be seen whether
the Country grows rich by the Ballance of
Commerce; and in order to attain to a pre-
cise Knowledge of this Matter, I humbly pro-
pose, that in every Sea-Port Town in *England*,
Ireland, and *Scotland*, a Council or Overseers
of Trade may be appointed, consisting of three
or four Gentlemen, whose Duty it should be,
to take every Month, or other appointed
Times, an Account of the Imports and Ex-
ports in their respective Districts, of the
Quantity and Value of each Species of Goods
so exported and imported; and that every
Person making an Entry at the respective Cus-
tom-Houses should be bound to swear to the
Quantity, first Cost, and Particulars of the
Goods so entered, from whence imported,
and where exported to, and that the Mem-
bers of the Council should be bound, not to
reveal their several Accounts, but by an half
yearly general State of them, verified by the
Custom-House Books to the Lords of Trade,
who may be directed from these particular
Accounts, to form a general State of the Ex-
ports and Imports of *Great Britain* and *Ire-*
land,

land, with their Observations and Opinions
thereon, to be laid before the King and
Council, previous to the Opening of every
Sessions of Parliament; by which, at one
View the Advantages and Disadvantages of
our general Commerce with foreign Coun-
tries would precisely appear, and a large Scope
given for enforcing such Laws as are in being,
relating to Commerce; abolishing or restrain-
ing such, as Experience has shewn, to be
hurtful or useless to Trade; and enacting new
ones for its Nourishment and Protection.
Many happy Consequences, almost self-evi-
dent, would result from an Establishment of
this kind, and many useful Discoveries, and
their Application to the public Revenue, in
the Power and Combination of Numbers
would arise; all which I submit to better
Judges.

AN anonymous *French* Author, speaking of
a Council instituted in *France*, composed of
different Members, to whom the Administra-
tion of domestic and foreign Commerce is
committed, writes to the following Purpose:
“ This wise Council, says he, oversees the
“ Manufacture of the Kingdom, prevents their
“ Adulteration and Abuse, and procures them
“ those

" those Encouragements, that Liberty, and
 " those Immunities, which give Birth to La-
 " bour and Industry, and the Improvement of
 " Agriculture; they make Provision for the
 " Labourer, in Times of Plenty, to supply
 " their Wants in Times of Scarcity; they
 " study to prevent the Increase of the Price
 " of Labour, by the only sure Rule of keep-
 " ing Labourers and Artists together; and
 " they very carefully prevent the Tyranny of
 " Monopolizers over Labourers and Artizans:
 " They direct the mutual Commerce between
 " France and its Colonies to the best common
 " Advantage, and being precisely informed of
 " the State of the national Trade, by com-
 " paring the Value of its yearly Exports, with
 " its Imports, they thereby discovered the
 " Branches of Trade which want Protection:
 " It is from the Representations and Memo-
 " rials drawn up by this Board of Trade, that
 " these Treaties of Commerce are projected,
 " which commonly accompany Treaties of
 " Peace. In short, this Council, is a Center
 " of Union for Trade, the Navy and the
 " Revenue of the State, to furnish each other
 " reciprocally and necessarily, with mutual
 " Assistance."

THERE

THERE is a Species of Madness which has
 possessed this Country, in adopting the Taste
 and Foppery of France; I wish our great People
 would inforce the good Sense of some of those
 wise Regulations laid down by the French with
 respect to Trade; their King instead of pro-
 hibiting the Importation of any foreign Ma-
 nufactures, only expresses his Dislike of their
 Consumption at Court; a Method more effi-
 cacious than all positive Prohibitions; he
 never makes Use of them himself, his Exam-
 ple is more attended to, than his Laws.

BUT without entering so precisely into Cal-
 culations of the general State of Trade, there
 are Symptoms by which are seen the Decay of
 a Kingdom's Trade, and which indicate a
 Dissolution of the whole Fabrick, with respect
 to a Nation's general foreign Commerce, and
 that is the Market Price of Bullion; if this
 Market Price for these precious Metals of Gold
 and Silver, are, and continue greater than the
 coinage Price, it is as I conceive, a sure
 Symptom of the general Decay of our foreign
 Trade. No Man alive will carry Gold nor
 Silver to our Mint, there to be coined
 at the Rate of three Pounds, eight-

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 teen Shillings the Ounce for Gold, and for
 Silver at the Rate of five Shillings and Two-
 pence the Ounce, when the Market for Ex-
 portation gives for Gold four Pounds two
 Shillings and Sixpence the Ounce, and for
 Silver, five Shillings and Five-pence, to five
 Shillings and Sixpence: Nay at the Time I
 write this, the Market Price for Silver has got
 up to five Shillings and Seven-pence Half-
 penny the Ounce. I have already observed,
 that the Course of Exchange between any two
 Nations, is the Barometer which indicates the
 yearly Ballance of their Trade; and I think I
 am not very wrong in asserting, that the Ba-
 rometer of the Ballance of a Kingdom's gene-
 ral foreign Trade or Commerce, is the Price
 of the Market for Bullion, taken yearly at a
 Medium.

THE Decay of our foreign Commerce is
 owing to great and unequal Taxes, or heavy
 Duties on our Imports, our Monopolies and
 Prohibitions, all which enhance the Price of
 Labour beyond its natural Proportion to that
 of other Countries, with whom we traffic;
 all ought to be free, and our Ports opened to
 receive the Product of the whole World; this
 would repair our past Mistakes, and *Great*
Britain

Britain would become the Depositary of Na-
 tions, as *Holland* is, though a Country sur-
 rounded with great natural Disadvantages;
 whereas *Great Britain* and *Ireland* have the
 greatest Advantages from Nature, with respect
 to general foreign Commerce, of any King-
 doms in *Europe*. The Decay of our Trade,
 arising from the mistaken Measures before-
 mentioned, must in my Apprehension, have
 at long Run, very melancholy Consequences;
 for notwithstanding the providential Blessing
 of our natural Advantages, yet having no
 Mines of Gold or Silver, we have no natural
 Method of acquiring these precious Metals,
 but by a well-regulated foreign Trade, the
 Consequence of which procures to our Indi-
 viduals that worldly Recompence which is
 the ultimate View of all their Toil, (to wit)
 Property in Land, which acquires to them
 Power and Influence, and to their Posterity
 Rank and Nobility; and as Gold and Silver
 are the Measure and Consideration for all Pur-
 chases, the just Means of acquiring these pre-
 cious Metals is extremely worthy of the Re-
 flection and Consideration of our great Rulers;
 for they may depend upon it as a Certainty,
 that by whatever Burthens and Restraints
 Trade is loaded with, the Load will at last

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 take its Rest on the great Proprietors of Land ;
 but if our Duties on Imports, our Taxes on
 the Necessaries of Life, and the foreign Ma-
 terials made use of in Manufactory and La-
 bour, are put upon a reasonable Par with our
 Neighbours, our many happy natural and con-
 stitutional Blessings will give us a proportional
 Superiority over other Nations.

THE ingenious *David Hume*, Esq; justly
 observes, that every thing in Nature useful to
 the Support of the human Species, arise from
 the Earth, but few Things spring in that Con-
 dition requisite to render them useful ; besides
 the Peasants and Farmers, there must be
 another Rank of Men, who receive from the
 former, the rude Materials, work them into
 Use, Part of which they retain for their own
 and Family's Subsistence.

IN the Infancy of Time, Contracts between
 Artizans and Farmers, and between one Sort
 of Tradesmen and another, were entered into
 immediately by the Persons themselves, who
 being Neighbours were acquainted with each
 others Necessities, and lent their mutual As-
 sistance to support one another ; when Man's
 Industry increased, and their Views became
 ex-

extended, it was discovered that the most re-
 mote Part of the Society could assist each
 other, as well as the most contiguous, and
 that this Intercourse of good Offices was ca-
 pable of being carried on to the greatest Ex-
 tent and Intricacy : Hence the Origin of Mer-
 chants, who serve as Agents between those
 Parts of the State wholly unacquainted with
 each others Necessities.

I have before shewn that the Number of
 Labourers and Artists in a Society is propor-
 tioned to the Necessity the Number of its In-
 habitants has for employing them : If this Ne-
 cessity does not extend itself beyond the
 Bounds of the Society, no more Labour will
 be wanting, but what is necessary to support
 such a Community : But the Industry and
 Business of the Merchant is to encourage
 native Labour, in order to supply such Goods
 and Merchandize as may be wanted in foreign
 Countries, the Returns of which, to his own,
 is a certain clear Gain, either in Bullion or
 Goods ; such as the Returns arising from the
 Sale of Corn, Fish, Lead, Tin, Coals, and all
 Produces otherwise arising by the Labour and
 Industry of our People.

LABOUR

LABOUR and Industry being truly the Means of producing Riches to light, the more they are encouraged, the greater will be the Wealth of a Nation: The Encouragement given by Premiums or Bounties for the Exportation of the Produce of our native Industry, or for the Produce of foreign Materials wrought into Use by our own People for Consumption, are very wisely intended; they encourage Agriculture, the Farmer from the Experience of Advantage to be reaped from a foreign Demand, provides not only for the Community's Wants, but also for a Quantity of Wheat, Oats, Barley, Pease, Beans, &c. to supply foreign Calls; and consequently more Land must be had and tilled, to answer this superabundant Call.

BUT there is an Objection made to the granting of these Bounties, which I cannot help owning at first View carries the Face of Reason and Plausibility with it, and that is, that this Bounty granted as an Encouragement for the Exportation of Corn, raises the Price of this Commodity at Market higher than it would otherwise be, and affords it to our Neighbours cheaper than we can purchase

it

it to ourselves; by which Means the Price of foreign Labour is lowered, and that of our own increased.

EXPERIENCE is the best Answer which can be given to this Objection, and Experience has clearly shewn, that Premiums or Bounties to encourage the Exportation of Corn, have lowered the Prices at Market for this Commodity.

IN the Year 1689 our *English* Legislature instituted this Bounty to be given for the Exportation of Grain in *English* Bottoms, in order to encourage Agriculture; and a judicious and precise Enquiry was made, for the Prices Corn sold at when Land was cultivated to answer only the annual Consumption of the Society, (without Regard or View to foreign Nations) or to provide against the Contingences of a bad Harvest: The Consequence of this Enquiry was, that it was discovered that the Medium Price for the Years which preceded 1689 for forty-three Years, was for Wheat at 2l. 10s. 8d. *per* Quarter Winchester Measure; the Parliament very wisely fixed under that Price, the contingent Application of this Bounty, that is to say, at 2l. 8s.

but

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 but Complaints and Objections being brought
 before Parliament against continuing this
 Bounty at any Rate, a new Enquiry was made
 for the medium Price of Wheat from the Year
 1689 for sixty-four Years to 1752, and it
 was discovered that this medium Price has
 been no more than 2l. 2s. 6d. which afforded
 this Stock of Life by 8s. 2d. the Quarter
 cheaper to the Public than it had been for
 the forty-three Years precedent to the Year
 1689; this can only be attributed to the In-
 crease of Agriculture, and this stands verified
 by the comparing the Price of Wheat with
 the State of the Bounty from the Years 1746
 to 1750.

Years.	Bounty.	Medium Price of Wheat per Quarter.
1747	99,385 l. Sterling.	1l. 19s.
1748	202,637 l.	1l. 17s.
1749	228,556 l.	1l. 16s.
1750	328,405 l.	1l. 12s.

THIS State clearly proves, that in those
 Years in which the Sum of the Bounty, and
 consequently the Exportation was greatest, the
 Price of Wheat was lowest.

THE

THE Intention of this Bounty was not to
 fall the Price of Corn at foreign Markets, but
 a very wise Expedient to enable *England* to
 export Wheat on a Par with *Poland, Denmark,*
Hamburg, Africa, and Sicily: In short, it is
 giving to the Farmers 200,000 l. a Year, that
 the Nation may gain 1,500,000 l.

BUT Duties and Excises on Soap, Candles,
 Leather, Beer, Hops, Drugs, Ashes, Bay Salt,
 Copper, Tallow, *Spanish* Oil, Silk, and Sugar
 have contrary Effects to Bounties. Bounties
 promote Agriculture, the greatest of all Be-
 nefits; for the Laws which protect and en-
 courage the Cultivation of the Earth are the
 wisest of human Institutions; but Duties and
 Excises enhance the Price of Labour, being
 Taxes on the Necessaries of Life, and the
 Materials of Manufacture, and consequently
 prevent our going to Market upon an Equa-
 lity with our Neighbours; and if these several
 Duties and Excises raise the Price of Labour,
 and consequently that of our Manufactures to
 such a Rate, as Foreigners cannot afford to
 pay, our Trade must stop, and our Wool (not-
 withstanding all the penal Laws to the con-
 trary) will be smuggled into *France* and *Hol-
 land,*

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land, our Manufacturers will quit the Country,
and settle where they are exempted from such
Burthens.

THAT wise *Dutch* Statesman *De Witt*,
says, that Navigation, Trade, Fisheries, and
Manufactures are the four Pillars of the State,
and should not be weakened or encumbered
by Taxes and Customs; for it is they who
give Subsistence to the Inhabitants, and it is
they that draw in all Sorts of Foreigners;
Manufactures should not be taxed at any Rate,
because they are not fixed to a Country.

THIS salutary Doctrine of that wise Man,
is an excellent Lesson to our great Lawgivers.

No People whom I ever heard of, are, by
Nature better fitted for Commerce, than the
Subjects of *Great Britain* and *Ireland*; they
are inspired by the Spirit of Liberty, are brave,
grateful, generous, compassionate, and humane:
Nay, among the middling Rank of Men, re-
ligious; no Lovers of Law and Chicanry, all
Qualities in a Merchant more necessary, than
to any other Profession. The Merchant sets
out into the World with an implicit Confi-
dence in his Friends, he requires to be free,
and

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and from the Advantage his Art is to the Pub-
lic, he ought to have particular Laws for his
Protection, summary and different from other
Professions; his Business is carried on at Risk
and great Hazard, most other Professions
guard against all possible Accidents; *France*
in my humble Opinion, is much indebted,
for the considerable Figure she makes in the
commercial World, to the summary Laws of
their Merchants Court, for deciding Disputes
between Merchants and Traders; something
of this Sort is not unworthy of the Conside-
ration of our Superiors, for it really concerns
them most essentially, as the great Proprietors
of Land, to protect Labour and Industry; for
by preserving of which, and affording the
Means of Subsistence to Men and their Pos-
terity; they preserve to themselves, and their
Heirs, true Riches, and all the Influence,
Grandeur and Power, which these Advantages
give a Kingdom over foreign Nations.

THE unhappy Consequences of Taxes and
Excises, are very sensibly described by Doctor
Davenant, where he asserts, that high Du-
ties, Excises and Customs, are utterly destruc-
tive to the principal Part of *England's* Wealth;
for if Malt, Beer, Ale, Salt, Leather, Candles,
Cider,

144 The ANALYSIS of Cider, Hops, and other Necessaries of Life, are burthened, the Wages of Servants and Artifts, must necessarily Rise; for the Produce must bear a Proportion to the Expence, and must be found at Market, or the Manufacturers can not support themselves; all this would signify little, if our own dealing among ourselves were only thereby affected, but it has a Consequence of a far more pernicious Nature, relative to our foreign Trade: It is the Exportation of our own Product, wrought into Use, which must make *England* rich; our Woollen Manufactures, which for the far greater Part, have more Value in the Workmanship and Materials, than in their first and principal Material, Wool; the Customs paid on the Importation of these Materials of Workmanship, and the Excises on the Necessaries of Life, enhance the Value at Market of our Manufactures, and create a Necessity in foreign Nations with whom we deal, of setting up Manufactures, and buying Materials from other Countries, where they find them cheap, and importing them free from the Burthens and Imposts with which we have unhappily loaded them.

OUR

OUR providential Blessing of natural Situation is such, that foreign Nations may as well attempt to sink our Dominions in the Ocean, as to deprive us of this superior Advantage: " It is computed that *England* (says an anonymous *French* Author) contains about forty " Millions of square Acres, and the Size of " it is such, that no Point of Land in it, the " most distant from the Sea-coast, is farther " than seventy Miles.

" As an Island, *England* possesses many " maritime Counties, and consequently is attended with many natural Advantages, for " having Seamen, Fishermen, &c. to carry " on foreign Commerce, and the Propagation " of the human Species.

" THE Sea is our natural Bulwark, our " Ships of War our Forts, both offensive and " defensive, and consequently our Superiority " in this Point, gives us a Right to a Superiority in Trade; and whilst we preserve this " Superiority at Sea, we can at any Time carry " on our Trade at less Expence, and gain " more in War-Time, than our Enemies and " Rivals.

L

EXCEPT

“ EXCEPT in *America*, we have no Tem-
“ tation to enforce the Spirit of Conquest, and
“ ought never to be afraid of *France*, until
“ the *French* have a Navy to be dreaded.

“ GRAIN, Wool, Cattle, Mines of vari-
“ ous Kinds are *England's* natural Riches, and
“ our industry improves these Advantages,
“ by Agriculture and Commerce.

“ CORN is the Produce which ought to
“ claim our first Care, as the Want of it is
“ a general one, and as its Consumption
“ depends on a Necessity independent of the
“ Caprice of Fashion: that Country where
“ every thing else is supposed equal, and which
“ is superior in its Product of Corn, will en-
“ joy the most solid and permanent Pre-
“ eminence.

“ THE Temperature of the *English* Climate,
“ and the Nature of its Soil, is what give an
“ Excellence of Quality to its Wool, and the
“ accidental Distribution of its Lands, natu-
“ rally invited the Inhabitants to keep great
“ Flocks of Sheep, and Herds of Cattle.

“ ABOUT

“ ABOUT the Year 830, the *Saxons* with
“ the Assistance of several petty Nations from
“ the North of *Germany*, completed the
“ Conquest of *England*, the Lands were di-
“ vided amongst the Generals and Chieftains
“ of those different Nations, and they distri-
“ buted a Part of them among their Soldiers;
“ the few Nations who escaped the Fury of
“ the Conquerors, were not sufficient in Num-
“ ber to the Cultivation which the Land re-
“ quired, therefore a great Part thereof re-
“ mained Waste in Desarts, undivided and
“ without Proprietors.

“ EVERY Landlord bestowed on those who
“ held Lands of him, a Right of Pasture on
“ those uncultivated Lands. *William* the
“ Conqueror seized the *English* Forrests to
“ his own Use, and to an exclusive Preroga-
“ tive of hunting in them, but left the Right
“ of Pasture to the neighbouring Inhabitants,
“ whose Property consisted in Cattle; such is
“ the supposed Origin of the Right of Com-
“ monage, and has been the Cause of keeping
“ vast Plains in waste; the Inhabitants knew
“ no other Use to be made of them, but by
“ Pasture for numerous Flocks and Herds of
“ Cattle,

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“ Cattle, such as Sheep, Cows, Horses and
“ Oxen; and these Herds and Flocks for
“ many Years, were all the Wealth and In-
“ dustry of the then People, joined to that
“ of Working their Tin, Lead, and Cop-
“ per Mines.

“ THE *English* did not immediately disco-
“ ver the Value of their Possessions, all their
“ View was Food from the Flesh of their
“ Beasts (they had little Knowledge of Agri-
“ culture, or the raising Grain) and to cloath
“ themselves from a Kind of Cloth made from
“ the Wool of their Sheep; the *Flemish* and
“ *Easterling* (a most industrious Race of Men,
“ who even continue such to this Day) pur-
“ chased their Wool, and wrought it into Ma-
“ nufacture: but during the Contests between
“ the white and red Roses, some of the *Eng-
“ lish* being obliged to take Refuge in the States
“ of the Duke of *Burgundy*, upon their Re-
“ turn with *Henry* the Seventh, brought with
“ them the first tolerable Knowledge of ma-
“ nufacturing our Wool into Cloth; this Ac-
“ quisition of Industry was much favoured
“ by this Prince, and much more so by the
“ Magnanimity, and the Opportunities which
“ the then Situation of the Affairs of *Europe*
“ afforded

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“ afforded to Queen *Elizabeth*, to whose con-
“ tinued Success, the *English* owe one of the
“ greatest Sources of their Riches, to wit,
“ their Woollen Manufactory.”

THE Wounds created or given to our fo-
reign Commerce, though deep, are not so in-
curable, but that with proper Care, we are
capable of rising to a more flourishing Con-
dition, than we ever knew: the Ways and
Means are in our Hands, abolish that ill-judged
Distinction between landed and monied In-
terest, unite *England* and *Ireland*, abolish
unequal Taxes, open your Ports to a free Im-
portation, encourage your Plantations by suf-
fering their Produce to be exported to all Parts
of the World, encourage polite Arts and
Sciences, appoint Rewards, and Pensions to
their Professors, let their Country and Re-
ligion be what it will, discountenance by Ex-
ample immoderate Gaming, nurse Religion
and its Professors, let all Men by their Pro-
perty have an Interest in supporting the Honour
and Dignity of the State, all which duly en-
forced, will recover the Decay of our foreign
Trade, and prevent the impending Danger of
our total Ruin, as a commercial Nation.

THE different Revolutions which have happened to Commerce from earliest Times to modern Days, were owing to Oppression, and ill-judged Institutions; for these are absolutely destructive to Industry and Labour, neither of which can ever thrive, but in a Land of Ease, Liberty and Freedom; or in Countries where the Appearance, at least, of these great Blessings is kept up, such as *Holland* and *France*; and though the latter is an absolute Monarchy, yet it is generally of that Sort the best governed of any in *Europe*; and the Wisdom of their Ministers of State has projected, and is still projecting wholesome Laws and Regulations for the Encouragement of Trade: Even their King does not think it beneath his Dignity to throw a Sum of Money into the Hands of, and grant his Protection to any foreign Manufacturer or Artist, who comes to settle in his Country.

IN order to give some further Light into the State of our foreign Commerce, I must repeat what is before said, (to wit) that Labour is the only Means of producing all Things in this World, and that our Passions are the Causes of this Labour. The Proprietors of
Land

Land greatly mistake their own Interests, by shifting of Taxes from themselves and laying them on the middling People; it is the middling People of all Countries that support the Proprietors of Land; the greater the Vent for the Produce of Land, the greater the Stock and Riches of the State.

THE Consequences of our present Burthens on Trade are opposite to what the Public was made to believe; the Fallacies lay in what Monied-Schemers and Stock-jobbers asserted, to wit, that Profits in Trade would increase in proportion to their projected Taxes, and Paper-Credit; whereas it is demonstrable, that by as much as these Taxes and Paper-Credit, have raised the Price of Labour beyond its due Proportion with all other Countries, by so much we go to Market dearer than our Rivals, the *Dutch* and *French*, but the Views of these Persons, were their own private Interest, and that of supplying the temporary Exigence of the State for carrying on a ruinous System of War, in Compliment to a foreign Prince, who to indulge his Resentment to *Lewis* the Fourteenth of *France*, and his Attachment to the Interest and Profit of his native Land, laid the Foundation of those

152 The ANALYSIS of
 Measures which have made the Blood and
 Treasure of this Country, subservient to almost
 every Quarrel on the Continent; though it
 cannot be denied, but we ought to have joined
 in opposing the ambitious Views of *France*,
 by confining ourselves to our proper and na-
 tural Strength at Sea, which if duly exerted,
 would have established our Power and Do-
 minions in *America*, and done more real
 service to what the Language of that Time
 called the common Cause of Liberty, in dis-
 tressing the Marine of *France*, than all the
 Blood and Treasure wantonly lavished on the
 Continent; but this would not answer the
 selfish Views of our good and faithful Allies
 of *Holland*, nor give an Opportunity to the
 Money-Schemers of those Times of realizing
 the immense Sums they acquired at the Ex-
 pence of the Public; and from what Begin-
 nings, and from what Steps, we have been
 brought to our present Load of Debts, hear
 the Words of the late Doctor *Swift*.

Most of the Nobility and Gentry, who
 invited over the Prince of *Orange*, and at-
 tended him in his Expedition, were true Lovers
 of their Country, and were brought to yield
 to the Breaches in the Succession of the Crown,
 out

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out of regard to the Necessity of the King-
 dom, and the Safety of the People; but with-
 out Intention of drawing such a Practice into
 precedent, or making it a standing Measure,
 by which to proceed in all Times to come:
 therefore their Councils tended to keep things
 as much as possible in the old Course; but
 soon after, a set of Men, who had nothing
 to lose, raised in the King a Jealousy of his
 best Subjects, the Clergy and two Univer-
 sities; and at the same Time to fasten wealthy
 People to the new Government, they pro-
 posed those Expedients of borrowing Money
 at great Premiums and exorbitant Interest;
 a Practice, as old as *Eumenes*, one of *Alex-
 ander's* Generals, who setting up for himself,
 after the Death of his Master, persuaded his
 Officers to lend him large Sums; after which
 they were forced to follow him for their own
 Security: this introduced a Number of new
 dexterous Men into Credit and Business; it
 was argued that the War could not last three
 Campaigns, and that it was easier for the sub-
 jects to raise a Fund for paying of Interest,
 than to tax them annually to the full Expen-
 ce of the War. Several Persons who had Es-
 tates, sold them, and turned their Money
 into those Funds to immense Profit; Mer-
 chants

154 The ANALYSIS of
 chants, as also other Monied - Men finding
 Trade precarious, pursued the same Method ;
 but the War continuing and growing more
 expensive, Taxes increased, and Funds mul-
 tiplied every Day, till they have arrived at
 the astonishing Height where we now behold
 them : and that which was at first a Cor-
 ruption, is at last grown necessary ; because it
 is with a Kingdom as with a private Fortune,
 to which every new Incumbrance adds a double
 Weight, so that the Wealth of a Nation
 that used to be reckoned by the Value of its
 Land and Labour, is now computed by the
 Rise and Fall of Stocks ; and through the
 Contrivance and Cunning of Stock-Jobbers,
 there has been brought in such a Complication
 of Knavery and Cozenage, such a Mystery of
 Iniquity, and such a Jargon of unintelligible
 Terms to involve it in, as were never known
 in any Age or Country of the World.

In the Year 1688 this Nation did not owe
 above seven hundred thousand Pounds : There
 were spent in the thirteen Years of King
William's Reign, seventy Millions ; and he
 left a Debt in 1702 of about ten Millions ;
 his Successor Queen *Anne* reigned thirteen
 Years and an half, and spent upon her Pre-
 decessor's

decessor's Schemes seventy-five Millions, and
 at her Death in 1714 left a Debt of fifty-
 three Millions : The Reign of King *George*
 the First being pacific, left the Kingdom nei-
 ther more or less in Debt than as he found
 it ; but from the Year 1727 to the present
 Year 1758, this Debt is increased to near
 fourscore Millions ; a monstrous Sum ! merely
 ideal to any other People than the *English*,
 but which cries aloud for Payment. But as
 Mr. *Hume* observes, there is such a Supinity
 crept into all Ranks of Men, with regard to
 our public Debts, that the most sanguine of
 our Hopes cannot carry us to see any Progress
 made to discharge them ; what then, says he,
 must become of us ? Why, it must be one
 of these Events, either the Nation must de-
 stroy these Debts, or these Debts must de-
 stroy the Nation. The continued yearly Im-
 positions of Taxes on the Necessaries of Life
 must raise the Price of Labour inconsistent
 with foreign Trade ; and if this is lost, what
 must become of the Funds, upon which this
 monstrous Capital of eighty Millions has been
 raised ? They must submit to Necessity ; for
 the Creditors of the State are only subaltern
 Proprietors of so much of the Revenue paid
 into the Exchequer, as is allotted to pay the
 Interest

156 The ANALYSIS of Interest of eighty Millions; but if it should ever so happen, that the Exigence of the State should require to divert these Revenues into another Channel, or that the Vent at Market for the Produce of Labour should not produce the Taxes with which it is charged, the Creditors will find these Funds vanish without occasioning one Shilling of the Money of the Kingdom's being lost.

LABOUR and Industry being the Means of producing Riches, our Passions are set afloat to attain the Property of Gold and Silver. Doctor *Davenant* observes, that it is by the right Use made of these precious Metals, that the State and main Body of the Society is supported in Ease, Plenty, and Safety; domestic Manufactures, Shipping, warlike and naval Stores are purchased: The bare Possession of Gold and Silver, where the Inhabitants of a Country are not laborious is of little Use, as *Spain* sufficiently shews.

AT first View it may appear, that the Merchant and Manufacturer are those who are to reap the greater Benefit of a well-regulated Trade; though it is certain, that the Merchant, Manufacturer and Sailor are not so

TRADE, COMMERCE, &c. 157 so deeply interested in the good or Ill-management of Commerce, as our great Proprietors of Land. Land is an immoveable Property, valuable only as to its Produce to the Neighbourhood where it is situated, and without Trade becomes only a bare Support for the Necessaries of Life.

MERCHANTS, Manufacturers, and Sailors are not fixed to a Country, they fly from Oppression and fix where Freedom and Immunities invite them: Freedom and the Means of Subsistence gather People together, to live in Society, serving each other by mutual good Offices; it is the superior Number of People usefully employed, that gives superior Power and Influence to one Kingdom over another, and how is this superior Number of People to be acquired? but by granting them the Means of Subsistence, and the Freedom of enjoying it to them and their Posterity.

IF the great Mr. *Lock* is right in his Opinion, the Landlords are more materially concerned in Trade, and ought to take greater Care that it be well managed, than the Merchants and Manufacturers themselves; these People have generally very limited Notions, which

158 The ANALYSIS of which extend no further than immediate Self-interest: It is the Province of the Prince and his great Ministers of State, to form and give the just Means of Subsistence to people his Country. I am credibly informed, that at a certain Period of the last Century it was determined to open the Ports of *England*, but from the hurried Zeal of an ill-advised unhappy Prince, this Scheme proved abortive.

A Country like *England* (abounding in domestic Materials, if not raised to artificial Prices by Taxes, Customs, and Excises) if its Ports were free, its Import would never exceed its Exports; the chief Imports would consist of such Materials as were only wanted to be manufactured into Use, by the Labour and Industry of our own Artists, and that to be re-exported Abroad at ten times more Value than the first Materials before they were wrought into Use; this would increase the national Stock, in proportion to the superior Value of the Labour and Industry, added to the Materials from their prime Cost. In Countries where its Ports are open to free Importation, its Merchants and Traders store and fill their Warehouses in cheap Times, with the Goods and Merchandize of all Nations, in order to export

export them to foreign Markets, where the Prices of these Goods and Merchandize are then advanced; and in the Consequence of this Sort of Dealing the national Stock is greatly increased; *Holland* is a Proof of what I here lay down, though a Country of great natural Disadvantages, producing neither Honey, Corn, Wine, or Oil, naval Stores, or Materials for Manufacture to support the eighth Part of its Inhabitants, and all arising from its Ports being in a manner free, which affords to their Merchants the Means of bringing the Equation of their Payments in their own Favour, almost with every other Country.

CUSTOMS and high Duties have contrary Effects to freedom of Importation, they treble the artificial Value of all Importation to the Consumer, to what they yield nett to the State or Government; these Burthens are additional Capitals to the first Cost of the Goods imported, and though these Impositions may be drawn back to encourage a Re-exportation, yet we cannot by this Favour be upon a Par with our Neighbours, as the Office's Fees, with the Interest of the first Advance of these Duties, is a dead Loss to the first Importer.

TIMBER,

TIMBER, Hemp, Flax, Sail-Cloth, and other Materials for building Ships and fitting them out are enhanced in artificial Value, by higher Duties, &c. the Sailor's Wages must be dearer to support himself and Family, than where the Necessaries of Life are not burthened: A *British* Vessel thus dearly fitted out must have dear Freights, to the great Prejudice of carrying our Products to Market.

DUTIES being inconsistent with a free Trade, they prevent the Increase of our Sailors, which is destructive to our Riches, they occasion by driving our Sailors away, the hard Custom of Pressing.

CUSTOMS and Duties on Importation lessen the Capital of our Merchants, by raising on them a new Capital, for the Service of the State, giving no Interest, increasing the Risk of the first and second Capital in the Sale of their Goods at Market, they create a Circulation of Disappointments. A Merchant may have a Capital to pay foreign Bills, and fall short of Money to pay Duties, as every Day's Experience shews in the City of *London*; a Thing unknown where free Importation is suffered,

suffered, and where Trade is carried on with less Capitals; and where, of course, Things must be cheaper.

THE dearer foreign Luxuries are, the more they are esteemed by all rich People of Taste; it is the Expence which creates the Elegancy: therefore high Duties encourage the Consumption of foreign Superfluities.

No Penalty to be invented will prevent avoiding paying high Duties; Smuggling is encouraged to the manifest Prejudice of the fair Trader, and to support a Gang of Men, who live in a State of War with the Government.

WOOL and Woollen Manufacture, are the Staple of these Kingdoms, high Duties prevent their foreign Consumption, and bartering them for foreign Produce, not only for our own Consumption, but also for Re-exportation, as the Merchant must have a double Stock to provide for Duties.

A fictitious and an unnatural Value is created by high Duties, on our own Produce, and on that which we are obliged to take
M from

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 from foreign Nations ; for in reality, Customs
 and Excises, are as much Taxes on our Wool-
 len Goods, as if they were laid on the Wool
 itself. We ourselves furnish Foreigners with
 the Means of rivalling us in Trade ; and
 yearly, as they improve we decline.

COMPANIES with exclusive Charters and
 Monopolizers, are destructive and tyrannical
 to a commercial Kingdom ; their Governors
 and chief Rulers prevent the Dispatch of their
 Ships, in order to engross any particular Com-
 modity to themselves, in their private Capa-
 city at Home ; by which the national Stock
 at foreign Markets is lessened, and an iniqui-
 tous Rise upon foreign Materials ensues, and
 prevents the Manufacturer from sending to
 Market as cheap as our Neighbours.

IT is very well known, that the less the
 Quantity of Goods at Market, the dearer the
 Market-Price must be ; exclusive Companies
 lessen the Quantity of Goods to be exported.
 Suppose our *India* Company by exporting
 5,000 Cloths gain by their Sale at Market,
 as much Money as by that of 10,000 Cloths,
 it is clearly their Interest to send but 5,000
 Cloths ; but it is as clear, that our national
 Stock

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 Stock loses the Benefit of one half of our
 Goods capable of being taken off, or con-
 sumed at foreign Markets.

PRIVATE Merchants are content with mo-
 derate and reasonable Profits ; they vie with
 each other, and increase the national Stock ;
 but reasonable Profits will not pay the
 Expence of Governors, Directors, Super-
 cargoes, and the long Train of other Ap-
 pointments attending an exclusive Company's
 Trade : It is therefore certain, that such Com-
 panies must lay aside all Commerce which will
 not afford them very large Profits, to the ma-
 nifest Prejudice of the private Trader, and the
 great lessening the national Stock.

IF a military Force, with Forts and Castles,
 are necessary to protect any foreign Settle-
 ment, this military Force and its Fortifica-
 tions ought to be maintained at the public
 Expence, as it is the Public, in general, who
 reap the Benefit of the Establishment.

A proper Reflection on the Nature of Trade,
 and the governing Spirit and Passion of the
 Merchant (whose Knowledge generally leads
 him no farther than to the Opportunities of

164 The ANALYSIS of
 Self-Interest and Gain) must convince any-
 body that all Monopolies are detrimental to a
 commercial Nation; they establish Self-Inter-
 est, petty Tyrants in Power; their Crea-
 tures and Dependants may plunder as they
 please, they are sure to be protected, as they
 know where to place the proper Share of this
 Plunder. All Trade ought to be free and
 unconfined; no wise Man will say, that be-
 cause a Nation carries on a great Part of its
 Trade by Companies, that we ought to follow
 an Example which Experience has fully shewn
 detrimental to Society; or that because a Na-
 tion prohibits against us, and thereby hurt
 themselves, therefore we should do the same.

Holland by their low Duties, is a Maga-
 zine or Collection of all the Products of the
 World, and which they disperse all over *Eu-
 rope*, foreign Merchants and Shopkeepers are
 every where Debtors to the *Hollanders*, and
 Money is brought from almost all Countries
 to them.

ALL Companies have limited and narrow
 Notions of Trade, their Capitals have no
 Proportion to the Extent of the foreign Do-
 minions, exclusively allotted to them to trade
 to,

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 to, and the Capacity of the Markets to
 which they deal, being obliged in order to
 support their great Expence to trade at a
 sure and large Profit.

THEY are Tools to People in Power; wit-
 ness the destructive Schemes of the Years
 1719, and 1720.

THE Nature of free Commerce and Na-
 vigation is, that they will open to themselves
 proper and advantageous Channels to flow in,
 for the general Good of the Community; if
 this does not happen, it must be occasioned
 by some powerful Restraints, to hinder People
 from reaping in a Field, where the Produce
 is inexhaustible.

THE Secret of all Commerce, is to work
 best and cheapest, and to suit your Goods
 to the Nature of the Climate, where they
 are to be consumed.

WHAT mighty Things have not commer-
 cial Nations been able to do; a few *Dutch*
 fishing Towns were able to shake off the Yoke
 of *Spain*, and to carry on great and mighty
 Wars against that Kingdom, for upwards of

166 The ANALYSIS of
 fifty Years, which gave so deadly a Blow to
 that proud Monarchy, as not to have been
 since able to recover it; and to extend and
 establish their naval and commercial Power,
 East and West, to the Astonishment of all
Europe.

MAY not Commerce and Navigation have
 the same Consequences, or greater Effects in
 these our happy Climes; if our naval Strength
 is duly and properly exerted, the *French*
 may be hindered from daring to appear at
 Sea, their Trade to *Turkey*, the *East-Indies*
 and *Sugar-Islands* destroyed, and not a Penny
 left them to be got by Commerce.

BUT all worldly Matters are inscribed within
 certain Limits, which they are not to exceed:
 The human Series of Progression, is from
 Childhood to Youth, Manhood, Old-Age,
 and so to the Grave; the Progression of States
 from their Foundation to their Ruin; but no
 Rule is yet found to prescribe the Duration of
 a well-governed Kingdom. Inattention to
 the true Interest, Want of Capacity in the
 principal Rulers, and the public Vices of the
 People are the Ruin of all States; but the
 able Statesman takes the whole of the Consti-
 tution,

tution of his Country into his Imagination,
 and from thence forms his Operations for its
 well Government; and his Institutions and
 Laws are proportioned to the Strength and
 Genius of the People whom he governs.
 Labour and well-regulated Trade and Navi-
 gation are the fundamental Principles upon
 which the Duration of a commercial King-
 dom is to be depended upon.

LUXURY has the contrary Effects of Labour
 and a well-regulated Oeconomy. Luxury is
 defined to be the Abuse of Riches; this
 Abuse in its Consequences introduces vain
 Effeminacy, Irreligion, Infidelity, Cowardice,
 sordid Avarice, and an insatiable Desire of
 getting Money, let the Means be what they
 will. Our Arrival to this Point, from the
 Consequences of our artificial Credit (which
 while it lasts does amongst ourselves answer
 the Offices of real Money) and great Trade,
 appears to me to be the flattering Hopes the
French entertain themselves with of our Ruin,
 and consequently of their Country's becoming
 the Mistress of Nations: But the Means of
 disappointing this ambitious People are in our
 own Hands; they never got any thing by a
 national War with us, and are not fond of it;

but we have for almost a Century last past been always gulled, for Reasons almost obvious, in their Treaties of Peace. Our Recovery from the unhappy Wounds given our Commerce, depend on ourselves; let our Ports be open to the free Importation of the Produce of all Countries, ease Labour of its Taxes, encourage Religion, and make an equal and comfortable Provision for its Possessors and Teachers; the sure Way of promoting social Virtue and the Love of the Country, and securing the Fidelity of the Subjects, and the Probity and Integrity of the People, without which no Nation can long support: But by a proper Enforcement of Religion, social Virtue, and the Love of your Country, you will secure to yourselves and to your Posterity Riches, and all the happy Influence which Riches give to a Kingdom over other Nations: But as the learned *Dr. Brown* observes, the Means of attaining to this Happiness depend on the Example and Principles of the Times; that is, on those who lead, and not on those who are led, on those who govern, and not on those who are governed; and it is to those our great Rulers, and to their great Wisdom, we do, and must submit.

CHAP.

CHAP. XXIV.

Of Bankers and Banks.

IF one hundred Gentlemen, whose Property lies in Land, deposit 2500l. each in a Goldsmith's Hands, and take each of them Credit in his Books, or else take his Cash-Notes payable, or accountable on Demand, in order that their Money may be ready at a Call to answer their Purpose, of laying it out on a Mortgage, or in the Purchase of Land; the Consequence would generally be, that this Money would remain with the Banker for Months, nay, sometimes for Years, waiting the Opportunity for such Purchases, &c. and even when this Money was wanted, many of these Gentlemen would give Notice to the Banker to have their Money ready by such and such a Time, as it must be paid away for the Purchase of a Landed Estate, or laid out upon a Mortgage, as soon as the Title is approved of by Counsel, and the Conveyance properly prepared.

In this Instance, this Goldsmith or Banker may employ at his own Risk and for his own Account, two hundred and twenty-five thousand

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 sand Pounds (of the two hundred and fifty
 thousand Pounds deposited with him) and
 not keep by him in Cash more than twenty-
 five thousand Pounds; by which, with his own
 Credit, he could answer the Calls of his
 Customers. It generally happens, if one
 thousand Pounds are called for, an equal Sum
 is brought into him: Experience therefore
 shews, that the tenth Part of the Money de-
 posited, and the well-established Credit of such
 a Banker, will circulate the total Amount of
 all his Deposits.

IF these hundred Gentlemen were their own
 Cashiers, and locked up their Money, these
 two hundred and fifty-thousand Pounds would
 be dead to the Society: But this Method of
 employing Bankers brings Money into the
 Channels of Circulation, and is one of the
 first striking Ideas of the supposed Advantage
 the Public reaps from Banks or Bankers, who
 contribute to the Circulation of Money; yet
 they must, or at least ought to be always pre-
 pared to discharge their Notes on Demand.

IF a Gentleman has one thousand Pounds
 to pay, he often discharges this Debt by his
 Banker's Note or Notes; it frequently hap-
 pens,

pens, that the Person who received this thou-
 sand Pounds, being well acquainted with the
 Credit of the Shop, from whence it was is-
 sued, is satisfied to keep these Notes by him
 till he pays them away to other Persons; and
 these Notes may circulate from Hand to Hand
 for many Months, without their Cash's being
 demanded. It is remarked in *Paris*, by the
 Bankers, who have large Sums of Money to
 pay, and where Paper does not circulate to
 do the Offices of Money, that one and the
 same Bag of Money has been brought into
 them four or five Times in the Course of one
 Day: Bags containing one thousand Livres,
 pass from Hand to Hand with a Label fixed
 to them, without telling, upon the Faith and
 Credit of the Shop or Compting-House, from
 whence they were first issued.

IF one hundred Persons, Gentlemen of
 Estates, order their half-yearly Rents to be
 paid as they become due to their Banker, and
 call for Money as their Calls for spending it
 require; this Banker, at the Beginning of
 these half-yearly Payments, will be able to
 lend for a short Term of three or four Months,
 more than he would at the Expiration of six
 Months; his Experience, from the Manner
 of

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 of Living of his Customers, teaches him for
 what Time, in Prudence to his Credit, and
 upon what Security, he ought to lend his
 Money, so as he may be always ready to dis-
 charge his Notes on Demand. In this In-
 stance, where Money is deposited, to be called
 for as People's Expences require; I think, a
 prudent Banker ought not to make use of
 more than one half of the Amount of all the
 Cash deposited with him. A Put-off for
 Money in a Banker's Hours of Payment would
 destroy his Credit, and bring a Run upon him
 from all Quarters; their Prudence and Ex-
 perience must be their Guide, to employ their
 Money in that Way, as to have it convertible
 into Cash, in order to answer all Calls pay-
 able on Demand. This Experience also has
 shewn, that Bankers, with whom Money is
 deposited, in this Instance of being liable to
 be called for, as People's Occasion for spend-
 ing it requires, ought always to have in Cash,
 half the Amount of what is deposited with
 them, to answer the daily Calls of their Em-
 ployers; and in this Case, if two hundred and
 fifty thousand Pounds is the Amount of their
 Deposits, one hundred and twenty-five thou-
 sand Pounds in Cash, and the Credit of their
 Notes, will circulate the total Amount of their
 Deposit

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Deposit of two hundred and fifty thousand
 Pounds.

THE Cash for Bankers Notes of undoubted
 Capitals and Credit, such as a *Child*, a *Hoare*,
 and a *Colebrook*, is but rarely called for; but
 if these Notes happen to fall into People's
 Hands who are not their Customers, their
 Payment is immediately demanded. The pru-
 dent Banker regulates his Conduct by the
 Practice of such who make use of his Shop:
 If his Notes fall into his Brethren's, or into
 the Hands of a Bank, such as that of *Eng-
 land*, nothing will be more pressing than they
 will be for their Cash.

THAT Banker or Goldsmith who carries
 on his Trade or Business with the Cash of
 Merchants or other Persons, Adventurers in
 Trade and Business, and where Money is
 daily paid in and taken out, will find himself
 under Difficulties, if he makes use of more
 than one Third of the whole Amount of his
 Deposits.

FROM what is here explained, it is not
 very difficult to conceive, that the different
 Sums of Money which Bankers, from their
 Deposits,

174 The ANALYSIS of Deposits, are enabled to put out, or employ at Interest, is proportioned to the Nature of the Trade, Conduct, and Manner of Living of their Customers; and that some Bankers are enabled to carry on their Trade with the tenth Part of the Amount of their Deposits, some with the Half, and some with one Third.

THERE are many Bankers, and they have many Customers; fortunate is the Banker whose Customers are great Proprietors of Land, and who by their Oeconomy, save yearly Sums of Money, in order for new Purchases, or to be laid out on Mortgages.

A national Bank has great Advantages over private Bankers, its Establishment is upon public Authority, and its Capital is publicly known, all which acquire great Credit and Confidence; People, who have great Deposits to make, carry them to the Bank; the Money of the Exchequer is there paid in, all which strengthen their Credit and Reputation; but this must be understood in a Country, whose supreme Magistrate is not arbitrary.

IF the Payments made by a National Bank, are by Transfers of Credit, it will have the Advantage

Advantage of not being liable to Robbery and Forgery, to both which Banks who issue out their Notes are subject; but the Banks who pay by Credit, have this Disadvantage, that such who live at a great Distance from them, particularly in the Country, will not chuse to make use of them; whereas Banks who issue out their Notes, are made Use of both at Home and Abroad; the Banks of *Holland* and *Venice*, pay by Transfers of Credit, that of *England* pays not only by Transfers of Credit, but also by Cash, and Cash Notes payable to Bearer on Demand, at the Option of the Demanders.

FROM what I have said, it is easy to conceive, that all the supposed national Advantage, the Trade of Banking consists of, is only the accelerating and facilitating the circulating Cash of the Kingdom, and preventing but a small Matter thereof to lie dead and useless in the Channels of Commerce; and if this facilitating the Circulation of Money, was confined only to the real Species of Gold and Silver in a Nation, I should have no doubt, but this Business of Banking, would be of real national Advantage; but if this Trade is made Use of, to introduce a fictitious and sudden Overflow of artificial

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artificial Wealth to do the Offices of Money,
it must, I doubt, have very fatal Effects at a
long Run, in the same Manner as a like Scheme
had in *France*.

THE Bank of *England* was established in
the Reign of King *William* the III. and con-
sists of two Sets of Adventurers, the one,
a Number of rich Men, who at this Time
when Money was prodigiously scarce, and
the Distress of the Public, in the new Estab-
lishment, very great, advanced the Govern-
ment, one Million, two hundred thousand
Pounds, at Eight *per Cent.* in Consideration
of which, there was granted to them a Char-
ter to incorporate themselves, into a Body,
for the carrying on this Business of Banking,
for thirteen Years, under the Denomination
of the Governors and Company of the Bank
of *England*; this Term of thirteen Years has
at different times been prolonged, in Consi-
deration of further Loans to the succeeding
Government, at lesser Interest, to the Amount
of about eleven Millions.

THE second Sort of Adventurers, are those
who from time to time, deposit their Money
with the Bank, for which they have Credit

given

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given them in the Company's Books, or Bank
Notes payable on Demand: It is the Use and
Employment which this Money is put to,
by the Governors and Directors of this Bank,
and the Interest received for the Capitals ad-
vanced to the Government, which enable this
Company to pay their Governors and Direc-
tors Appointments, and all other Expences of
carrying on this Business, and a yearly Divi-
dend to the Proprietors of their Stock, of four
and a half and five *per Cent.* by two half
yearly Payments. Some time previous to
these half-yearly Payments, the Governors
and Directors of this Company call a general
Meeting of its Stock Proprietors, before whom
they lay the general State of the Company's
Affairs, and there determine the Quantum of
what *per Cent.* Half-Year Dividends can be
afforded to the Stockholders out of the Com-
pany's Profits; than which nothing carries the
Appearance of fairer Proceeding. Their Trade
consists in circulating certain Government Se-
curities, advancing Money on the Security of
their own Stock, discounting foreign and in-
land Bills of Exchange, not exceeding two
Months to run, and once a Week good Notes
of Hand, not exceeding six Weeks to run;
and of late Years buying and selling Gold

N

and

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and Silver Bullion ; in the Management of all
which there is all the Caution and Care ima-
ginable taken.

THE Trust and Confidence reposed by the
Public, in the Credit and Well-Management
of this Company, is prodigious ; their Credit
is immense ; they are not only Cashiers for
the Majority of private rich Citizens and Mer-
chants ; but also for other rich Companies,
and likewise for the Revenue of the State :
No other Credit or Paper-Money is received
at the Exchequer, and other public Offices,
but theirs ; this obliges all private Bankers to
circulate immense Sums of Bank Notes, and
to have them daily by them : But this great
Credit, as are the best of all earthly Things,
is liable to Corruption, which would be at-
tended, if the Case ever happens, with the
most fatal Consequences.

IT is believed, and the Fact certainly ought
to be so, that no more Bank Notes are coined
and issued out, than what are equal to their
Ready - Money Demands. People Without-
Doors can make no certain Judgment of the
Sum of their Notes issued out in public Cir-
culation, nor of the Amount of their Cash in
their

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their Vaults : None but the few of their Go-
vernors and Directors (in all Societies the lesser
Number govern and command the Voices of
the greater) in the Secret, know it ; but it is
certain, that the Cash with which this Com-
pany is intrusted, ought to be employed, so
as to be within Call, to make Head and Stand
against any sudden Demand or Distrust, which
any public Disorder or Exigence of the State
may be apt to create. The Misfortunes, con-
sequent to the Schemes of the Year 1720,
brought a Run on the Bank ; the Company
to make Head, and in order to stand against
this Run, employed a Number of Clerks to
tell out the Money which was called for ;
and other Sums were brought in, and Pay-
ments were made (in order to gain Time) in
light Six-pences and Shillings, and large Pay-
ments were made to particular Friends, who
went out with their Bags of Money at one
Door, to deliver them to People placed at
another, who were let in to pay the same
Money to Tellers, who must take Time to
count it over ; and the Preference of Dif-
patch was always given to this Sort of People,
rather than to those who really called for their
Money, to carry it Home. By these Strata-
gems and Shifts Time was gained, and a Stand

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made,

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 made, till a Number of rich Gentlemen and
 Merchants entered into a Subscription to sup-
 port the Company, and as soon as the Public
 had Notice that this Subscription was full, the
 Run ceased, and Money was brought back
 again. What happened in the Year 1745,
 is in every-body's Memory, and therefore
 needs not to be mentioned; but what results
 to a thinking man is, that Schemes of this Sort,
 would destroy the Credit of the best private
 Banker in the World, and that they are be-
 neath the Dignity and Honour of a great
 flourishing Company.

I have already observed, that the supposed
 Advantage, resulting to the Public from the
 Trade and Business of Banking, is accelerating
 and facilitating Circulation: In a Country,
 such as *England*, encumbered with a Load of
 National Debts, a public Bank is of the greatest
 Advantage; it facilitates the daily Purchase
 and Sale of these Debts, at Market; it may
 be made use of to lower the Interest of these
 Incumbrances to the Proprietors, by raising
 their Price at Market. Let it be supposed, as
 a Thing possible, that an artful and ingenious
 Minister of State, well skilled in the Combi-
 nation of Numbers (such as the once Comp-
 troller-

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 troller-General of *France*, the famous Mr. *Law*
 was) and the Nature and Schemes of com-
 bining the Imagination of Men, for great
 Profits, has Interest and Influence with the
 few, who are in the Secret of the Manage-
 ment of a great Company's Affairs; advises,
 under Indemnifications, and prevails to have
 to the Amount of any given large Sum of
 Bank Notes, coined and filled up, in order to
 be made use of for the Purchase of South-Sea
 Old and New Annuities, South-Sea, Bank,
 and India Stocks: This Money thus employed
 will certainly raise the Prices of these different
 Funds, and this Rise still continuing, and
 the Noise and Expectation from various
 other Reports, of a further Rise, and the Ap-
 pearance of rich and opulent Mens daily Pur-
 chases, will raise such a dazzling Expectation
 of Profit, so as to prevail on the very Persons,
 who in the Beginning, sold out their Funds to
 re-purchase, rather than let their Bank Notes
 lie dead: So that the public Price of the Funds
may be raised to any Price, and a Necessity
raised in the Proprietors of accepting almost
any Interest, rather than to be payed off; and
 an Opportunity is given to those who are in
 the Secret of getting out, and extinguishing
 these new-coined Bank Notes, and putting into

182 The ANALYSIS of their own Pockets an extraordinary Profit; I say, Schemes of this Sort are possible, but not probable in our Time.

A National Bank, established in the Capital of a great and extended State, seems to me to contribute less to the Advantage of Circulation, from the Distance of its Towns and Provinces from the Capital, than in small States, where, if Money is scarce, with respect to its Neighbours, this Bank is of great Use.

A small State where Money, of real Gold and Silver, is in greater Abundance, in Proportion to its neighbouring Kingdoms, there a National Bank is more prejudicial than advantageous to its commercial Interest. An Increase of fictitious and imaginary Wealth, occasions and brings about in Circulation the same Inconvenience, of a more than necessary Increase in Circulation of real Specie; it raises the Prices of every Thing beyond their Proportion at foreign Markets, and occasions the Risk of losing our Trade, by heightening the Price of our Labour, and adding a fictitious Value to our Manufactures, which prevents their Sale, and thereby turns the Course of our Trade into other Channels, from whence it

it will be very hard, if ever possible, to get it back.

An unbounded Circulation of Paper-Credit, to do or answer the Offices of real Species of Gold and Silver, is very hurtful to the Interest of a commercial Kingdom, or that of any other State; it introduces Luxury, which is the Abuse of Riches, it effeminates the Spirit of a Nation, and unbraces the Strength and Sinews of its Inhabitants.

THIS Abuse of Riches effaces all Generosity from the Soul of Man, in turning all its Views and Ambition towards the Acquisition of Money, in order to support this Luxury; many are the Instances of the fatal Consequences, to be given, from the Abuse of Riches; a remarkable one happened at Rome in the Time of Caligula, whose Predecessor Tiberius amassed together an immense Sum in Specie, equal to the Value of twenty-five Millions Sterling; but his Successor Caligula, spent and squandered away this immense Sum, and Money was never seen in greater Plenty than at that Time; but what was the Consequence? These great Sums of Money plunged the Romans into Luxury, and into all Sorts of Crimes

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IN a Country greatly indebted, a National Bank is of great Use, in circulating and facilitating the Purchase and Sale of these Debts for immense Sums; People who deal in this Way, furnish themselves with large Sums in Bank Notes, without calling for the Money, except for Expences, or to exchange large Sums for small ones, in order to accommodate their Payments and Dealing.

THE Instance of what happened in the Year 1720, both in *France* and *England*, when the Amount of the *English* Bubbles, and that of its National Debts was calculated at a Sum of eight hundred Millions; yet the Purchase and Sale of this prodigious Capital, by the Assistance of Paper-Money was carried on; which demonstrates, what Prodigies this Sort of Riches are capable of affording, when People's Imaginations are heated with the Prospect

Prospect of Gain: Yet the Moment that real Cash of Gold or Silver is wanted, to supply foreign Aids, and Luxury, that Instant this fictitious Money loses its Credit, and the whole Fabric falls to Pieces, and demonstrates, that nothing but real Bullion is the true Strength and Sinew of a true and permanent Circulation.

THE Bank of *Amsterdam* has the Reputation of immense Treasure; their Payments are not made in Money, but by Transfers of Credit.

THE Bank of *Venice* pursues the same Method with that of *Amsterdam*, and this Transfer-Money finds Buyers and Sellers of it daily at Market; but I am informed that it happened, when this *Venetian* Republic was obliged to run in Debt, to pay the Expences of a War, that they raised new Credits in their Bank-Books, with which they paid their Creditors: But this fictitious Creation of Wealth brought a greater Number of its Sellers to Market, for current Money, than were Buyers; which reduced the Price of this transfer Money, to a Discount of Twenty *per Cent.* to remedy which the State was obliged

obliged to mortgage a Part of its Revenue, in order to raise a Fund of real Current Specie; to purchase these transfer Credits, and this brought the Buyers and Sellers thereof, to near an Equality; and thereby restored the Credit of their Bank.

THIS Method of Payment, by way of Transfers of Credit, seems to me to be less detrimental to the real Interest of a commercial Nation, than that of issuing out Bank Notes payable on Demand: Assignments of Credit keep Circulation within proper Bounds, with respect to the real Quantity of Cash in being, to flow the Channels of Trade and Commerce.

THAT profound and ingenious Reasoner, on the Subject of Money, Trade, and Commerce. *David Hume*, Esq; says, with respect to Trade and Riches. "There seems
" to be a happy Concurrence of Causes in
" human Affairs, which check the Growth
" of Trade and Riches, and hinder them
" from being confined entirely to one People,
" as naturally may at first be dreaded, from
" the Advantages of an established Commerce.
" Where one Nation has got the Start of
" another

" another in Trade, it is very difficult for the
" latter to gain the Ground it has lost; because
" of the superior Industry and Skill of the
" former, and the greater Stocks which its
" Merchants are possessed of, and which
" enable them to trade for so much smaller
" Profits: But these Advantages are compen-
" sated, in some measure, by the low Price of
" Labour, in every Nation, which has not an
" extensive Commerce, and does not much
" abound in Gold and Silver. Manufactures
" therefore, gradually shift their Places, leav-
" ing these Countries and Provinces, which
" they have already enriched, and flying to
" others, whither they are allured by the
" Cheapness of Provisions and Labour, till
" they have enriched these also, and are again
" banished by the same Causes; and in ge-
" neral we may observe, that the Dearness of
" every thing, from Plenty of Money, is a
" Disadvantage, which attends an established
" Commerce, and sets Bounds to it in every
" Country, by enabling the poorer States to
" undersell the Richer, in all foreign Markets.

" THIS has made me entertain a great
" Doubt concerning the Benefit of Banks and
" Paper, which are generally esteemed advan-
" tageous

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“ tageous in every Nation. That Provisions
“ and Labour should become dearer by the
“ Increase of Money and Trade, is, in many
“ Respects, an Inconvenience ; but an Incon-
“ venience that is unavoidable, and the Effect
“ of that public Wealth and Prosperity, which
“ are the End of all our Wishes : This is
“ compensated by the Advantages a Nation
“ reaps from the Possession of these precious
“ Metals, and the Weight they give a King-
“ dom in all its foreign Wars and Negotiations.
“ But there appears no Reason for increasing
“ that Inconvenience, by a counterfeit Money,
“ which Foreigners will never accept of, and
“ which any great Disorder of the State will
“ reduce to nothing. There are, 'tis true,
“ many People in every rich State, who
“ having large Sums of Money, would prefer
“ Paper, with good Security, as being of more
“ easy Transport and safe Custody ; but to
“ endeavour artificially to increase such a
“ Credit, can never be the Interest of any
“ trading Nation, but must lay them under
“ Disadvantages beyond its natural Proportion
“ to Labour and Commodities, and thereby
“ heightening their Price to the Merchant
“ and Manufacturer ; and in this View, it
“ must be allowed, that no Bank could be
“ more

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“ more advantageous than such a one, as
“ lock'd up all its Money received, and never
“ augmented the Circulation of Coin, as is
“ usual, by returning Part of its Treasure
“ into Commerce. A public Bank by this
“ Expedient, might cut off much of the
“ Dealings of private Bankers and Money-
“ Jobbers ; and though the State bore Charges
“ of Appointments to Directors, and Salaries
“ to Tellers (for according to the preceding
“ Supposition, it would have no Profit from
“ Dealings) the National Advantage, result-
“ ing from the low Price of Labour, and the
“ Destruction of Paper-Credit, would be a
“ sufficient Compensation. Not to mention,
“ that so large a Sum, lying ready at com-
“ mand, would be a great Convenience in
“ Times of public Danger and Distress ; and
“ what Part of it was used upon the Faith of
“ the Nation might be replaced, at Leisure,
“ when Peace and Tranquility were restored
“ to the Kingdom.

“ WHERE Coin is in greater Plenty ; as a
“ greater Quantity of it is required to repre-
“ sent the same Quantity of Goods, it can
“ have no Effect, either good or bad, taking
“ a Nation within itself ; no more than it
“ would

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 “ would make any Alteration in a Merchant’s
 “ Books, if instead of the *Arabian* Method
 “ of Notation, which requires few Characters,
 “ he should make use of the *Roman*, which
 “ requires a great many: Nay, the greater
 “ Quantity of Money, like the *Roman* Cha-
 “ racters, is rather inconvenient and trouble-
 “ some; and requires greater Care to keep
 “ and transport it. But notwithstanding this
 “ Conclusion, which must be allowed just, it
 “ is certain, that since the Discovery of the
 “ Mines in *America*, Industry has increased
 “ in all the Nations of *Europe*, except in the
 “ Possessors of those Mines; and this may
 “ justly be ascribed, amongst other Reasons,
 “ to the Increase of Gold and Silver. Ac-
 “ cordingly we find, that in every Kingdom,
 “ into which Money begins to flow in greater
 “ Abundance than formerly, every thing takes
 “ a new Face; Labour and Industry gain
 “ Life; the Merchant becomes more enter-
 “ prizing; the Manufacturer more diligent
 “ and skilful, and even the Farmer follows
 “ the Plough with greater Alacrity and At-
 “ tention; This is not easily to be accounted
 “ for, if we consider only the Influence which
 “ Abundance of Coin has in the Kingdom
 “ itself, by heightening the Price of Com-
 “ modities,

“ modities, and obliging every one to pay a
 “ greater Number of these little yellow, or
 “ white Pieces for every thing he purchases;
 “ and as to foreign Trade, it appears that great
 “ Plenty of Money is rather disadvantageous,
 “ by raising the Price of Labour.

“ To account, then, for this Phenomenon,
 “ we must consider, that though the high
 “ Price of Commodities be a necessary Conse-
 “ quence of the Increase of Gold and Silver;
 “ yet it follows not immediately, upon that
 “ Increase; but some Time is required be-
 “ fore the Money circulates thro’ the whole
 “ State, and makes its Effect be felt by all
 “ Ranks of People. At first, no Alteration
 “ is perceived; by degrees the Price rises;
 “ first of one Commodity, then of another,
 “ till the Whole at last reaches a just Pro-
 “ portion with the new Quantity of Specie
 “ which is in the Kingdom. In my Opi-
 “ nion, it is only in the Interval or interme-
 “ diate Situation, betwixt the Acquisition of
 “ Money and Rise of Prices, that the in-
 “ creasing Quantity of Gold and Silver is fa-
 “ vourable to Industry. When any Quantity
 “ of Money is imported into a Nation, it is
 “ not at first dispersed into many Hands, but
 “ is

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 " is confined to the Coffers of a few Persons,
 " who immediately seek to employ it to the
 " best Advantage: Here are a Set of Mer-
 " chants or Manufacturers, who we shall sup-
 " pose, have received Returns from *Cadiz* for
 " Goods sent them to *Spanish America*; they
 " are thereby enabled to employ more Work-
 " men than formerly, who never dream of
 " demanding higher Wages, but are glad of
 " Employment from such good Paymasters.
 " If Workmen becomes scarce, the Manu-
 " facturer gives higher Wages, but at first re-
 " quires an Increase of Labour; and this is
 " willingly submitted to by the Artizan, who
 " can eat and drink better to compensate his
 " Toil and Fatigue. He carries his Money
 " to Market, where he finds every thing at
 " the same Price as formerly; but returns
 " with a greater Quantity and of better Kinds
 " for the Use of his Family. It is easy to
 " trace the Money in its Progress through the
 " Commonwealth; where we shall find,
 " that it first quickens the Diligence of every
 " Individual, before it increases the Price of
 " Labour.

" FROM the Whole of this Reasoning, we
 " may conclude, that it is of no manner of
 Confe-

" Consequence, with respect to the domestic
 " Happiness of a State, whether Money be
 " of a greater or less Quantity. The good
 " Policy of the Magistrate consists only in
 " keeping it, if possible, still increasing; be-
 " cause, by that Means he keeps a Spirit of
 " Industry alive in the Nation, and increases
 " the Stock of Labour, wherein consists all
 " real Power and Riches: There is an In-
 " terval before Matters be adjusted to their new
 " Situation; and this Interval is as pernicious
 " to Industry, when Gold and Silver are di-
 " minishing, as it is advantageous, when these
 " Metals are increasing.

" It seems a Maxim almost self-evident,
 " that the Prices of every thing depend on
 " the Proportion betwixt Commodities and
 " Money: Increase the Commodities they
 " become cheaper; increase the Money they
 " become dearer, and rise in their Value."

I conclude by what I said before, that it is
 apparent, that real Species of Gold and Silver,
 acquired by a well-regulated Trade, are the
 true Sinews and Strength of a real and per-
 manent Circulation; and all artificial Aids of
 Paper-Riches, are only temporary Expedients,
 which

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which any violent Storm or Disorder in the
State will tumble down to Atoms, and must
infallibly be the Consequence of an Abuse of
Riches.

C H A P. XXV.

The Subject of Exchanges continued.

EXchanging the Coin of one Country for
that of another, is the finding out what
Sum of foreign Money you are to receive in
Quantity and intrinsic Worth, for, or in Ex-
change of a certain given Sum of your own
Money or Coin, which you are to pay: In
order to which, Gentlemen ought to know
how to calculate, and be well acquainted with
the Denominations of the Coins, in which Ac-
counts are kept in foreign Countries; and
also ought to know how to calculate, and
find out the intrinsic Value of all foreign
Coins. The Prices or Course of Exchanges
are almost perpetually changing betwixt the
Buyers and Sellers of Bills of Exchange for
ready Money; and this Change or Variation
is brought about and occasioned, by the De-
mand the State and Public have to pay their
Debts, in foreign Nations, or to call in what
is

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is due to them from foreign Countries; to
compass which there is no other Method in
Nature to be invented, than by Payment of
Money, or of its Value in Goods and Merchan-
dize; but if these Goods or Merchandize are
not wanted, or are so dear as not to answer
Prices at foreign Markets; their Deficiency
must be replaced by Money or Bullion, and
this Money or Bullion must ever be exported
to answer this Purpose of Deficiency; not-
withstanding all Law to be contrived to the
contrary; and this is easily conceived if we
respect that, let our Considerations amongst
ourselves be as they may, foreigners who
deal with us have nothing in View, but how
much real Gold and Silver they are to receive,
for the Amount of what they are or do sell
us; this Amount must be paid them in actual
Specie of Gold or Silver, in case they do
not find their Interest in purchasing our Goods
and Manufactures. Money is the Instrument
or Sign agreed upon, to facilitate the Exchange
of one Commodity for another.

THIS Invention of exchanging Coin for
Bills of Exchange, I flatter myself to have
tollerably explained in a precedent Chapter,
on the Subject of inland and foreign Ex-
changes;

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changes; it circulates Money, and conveys
its Use betwixt Nations, to an amazing Heighth,
aided and assisted by the mutual Credit sub-
sisting betwixt Merchants with each other;
it is therefore, as I apprehend, worthy of the
Wisdom of all commercial and civilized Na-
tions, to enact or institute such Laws, as may
be a sure Guide to the Individuals of the Com-
munity, for the well carrying on and govern-
ing this useful Branch of Trade; and I there-
fore hope to be pardoned for the Attempt I
make, in giving a Detail of what I conceive
to be generally understood, as the customary
Laws betwixt the Parties concerned and in-
terested, in the executive Part of this Species
of Trade; submitting it to the Consideration
of abler Heads, to recommend and enforce
its Execution, by a positive Act of Parlia-
ment.

As to the Form of a Bill of Exchange, it
is conceived in three or four Lines, wrote on
a Piece or Slip of Paper, in which at first
setting out, there are three Parties; first, the
Drawer or Drawers, secondly, the Drawee
or Drawees, and thirdly, the Person or Persons
on whom the Bill is drawn.

SUPPOSE

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SUPPOSE *A* of *London* takes from *B* of the
same Place, a Bill of Exchange for five hun-
dred Pounds sterling, at the then Course of
Exchange of thirty-five Shillings Flemish,
Bank Money, per Pound sterling, on *C* of
Amsterdam, *B* is the Drawer, *A* is the Drawee,
and *C* the Person on whom this Bill is
drawn.

THE first Thing *A* determines upon, is the
Price of the Exchange, that being fixed and
settled; the next Things are the reputed Sol-
vency of the Drawer, and the Term of the
future Day upon which this Bill is to be paid;
suppose this future Day to be two Months or
two Usances (which amongst Merchants are
synonymous Terms) this Bill may be con-
ceived in the following Terms, to wit.

London the 1758, 500. *st.* at 35 *p. C.*
A Two Usances pay by this First of Ex-
change, to the Order of Mr. A, five
hundred Pounds sterling, at thirty-five Schillings
Flemish per Pound sterling, Bank Money,
Value receiv'd of him, and place it as per
Advice.

Signed *B*

To Mr. *C*
in *Amsterdam*.

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THE good Sense of the Reader will dictate to him, that different Countries, upon which Bills of Exchange are drawn, have different Usances, and require different Expressions, with respect to the different Denominations of their Coins; and it would be inconsistent with the intended Brevity of this Book, to give Specimens of the Forms and Expressions made use of in drawing Bills of Exchange, upon the several Countries with which we traffic: Let it suffice, that printed Specimens of such Bills are sold by most Stationers about the *Royal Exchange*.

THE Drawee or Drawees of Bills of Exchange, have a Right, at the Time of paying their Money, to demand Seconds, Thirds, and Fourths; and these Seconds, &c. only differ from the First in the Words, pay by this Second of Exchange (First not payed) pay by this Third of Exchange (First and Second not paid) pay by this Fourth of Exchange (First, Second or Third not paid) and so on to as many as may be wanted; and the Payment of the First Bills, or that of the Seconds, or that of the Thirds or Fourths, &c. discharges and annuls all the others,

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IT is the Prudence of every Drawer of Bills of Exchange, to draw them on such Person or Persons, who have Effects of his, in his or their Hands, or a moral Certainty of Credit, to accept and undertake to pay such Bills, when they become due and payable.

It often happens, that Merchants of Speculation, Dealers in this Branch of Trade, take the Advantage of Times and Seasons, to draw Bills of Exchange at certain Rates and Terms, and that upon the Strength of mutual Credit and Confidence with their Correspondents in foreign Countries; and before the Expiration of such Bills, provide their foreign Friends with other Bills, or with Specie or Bullion to put them into Cash; by which they have the Odds of gaining two or three *per Cent.* sometimes more, sometimes less; but they are always sure of not losing, supposing the Balance of Trade is against the Country in which they reside, in order to answer the Expence of exporting heavy-coined Money, or Bullion.

If the Drawee of a Bill does not go himself, to the Place where the Bill is drawn upon, he is and ought by Law to be obliged to indorse this Bill to his Correspondent, in

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that

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 that Place, or else to send it to that Place for
 Acceptance; if the Bill is indorsed, the Person
 to whom it is indorsed becomes the Indorsee,
 and this Indorsee ought by Law to be obliged,
 as the Drawee's Agent, to demand Accep-
 tance to this Bill, and Payment thereof, when
 it becomes due; and in Default of either, he
 ought to get it protested for Non-acceptance,
 and when due, for Want of Payment; as
 also to give the earliest Notice, possible, to
 his Employer, the Drawee, by transmitting
 to him, the next Post Day, the Protest for
 Non-acceptance, and when such Bill be-
 comes due, the Protest and Bill for Want of
 Payment. If the Drawee or Indorsee of such
 Bill omits getting it accepted, and at its Ex-
 piration duly paid, and in Default of both,
 or either, getting it duly and regularly pro-
 tested, and not giving immediate Notice to
 the Indorsee's Employer; such Neglect ought
 by Law, to be at the Risk of the Drawee or
 Indorsee; the Drawer of such Bill, being in
 my humble Opinion (as to the Custom of
 Merchants) acquitted of any Obligation, of
 refunding such Bill, not having had proper
 and due Notice, by Protests, of his Bills be-
 ing dishonoured, for Want of Acceptance and
 Payment. This Custom prevents any undue

OF

or unfair Collusion, which it is possible, in
 the Course of Dealings, Alliances, or any
 other Connections betwixt Merchants, at the
 Risk and Expence of their Employers; for
 without being furnished with the Authority
 of proper Protests, on Bills of Exchange, the
 Drawer or the other Parties, therein con-
 cerned, cannot nor ought legally to take
 such Measures, as may, or actually do exist
 in their Power, to indemnify himself or them-
 selves against the Person or Persons who re-
 fuse Payment, or previous Acceptance to
 such Bills, or against the Person or Persons
 concerned in Interest, in having such Bills
 drawn. Merchants ought to have the earliest
 Notice possible of any Slur or Dishonour of-
 fered to their Signature, Credit being, next to
 Money, of the greatest Use and Consequence
 to the Individuals of a commercial State; it
 ought to be supported by Law, in all the
 Force and Strength of its Virgin Purity: Its
 Abuse is of as dangerous Consequence to a
 trading Nation, as the Abuse of a Maiden's
 Chastity is to her Reputation and Preferment
 in the World.

YET such is the glorious Uncertainty of
 the Law, that I am well informed, that upon
 an

an Action brought in the *King's Bench*, against the Drawer of a foreign Bill of Exchange, for Reimbursement thereof, tho' the Drawer never had Notice by proper Protests, that his Bill had been dishonoured for Want of Acceptance and Payment; the Court and Jury were of Opinion, and accordingly brought in a Verdict (and I think a very just one) that the Drawer of this Bill was discharged from any Obligation of reimbursing the same, because he had not Notice by Protests, from the Possessor or Holder of this Bill, of its being dishonoured, for Want of Acceptance and Payment: But yet, behold, that upon a like Case, and under the very same Circumstances, an Action was brought against the Drawer of a Bill in the Court of *Common Pleas*; the Judge and Jury were of Opinion, that the Drawer of such Bill of Exchange was liable to reimburse the same; though till he was arrested he had never heard that his Bill was not paid; and the Jury brought in their Verdict accordingly, and the Defendant quietly, not to be at further Expence, submitted, by paying the Principal and Interest of his Bill.

THE

THE Drawee of a Bill, by indorsing it, changes his Name and becomes the Indorser, and the Person or Persons to whom such Bills are indorsed, are called the Indorsees; and they ought by Law to be obliged to conform and perform the same Requisites, to which the Drawee was bound, and so on, to as many Indorsements as may happen to be upon a Bill, to the Time of Payment.

THE Respect and Honour which Merchants of Fortune, Dealers in Exchange, have for each others Credit, is very commendable; and this Respect is carried higher than in any other Profession whatever. It happens frequently, that the Drawer of a Bill of Exchange is deceived in his Correspondent's Circumstances, and in the Opinion he entertained of his Generosity and Method of Dealing; yet under these mistaken Notions, he draws on this Person, who refuses to accept or pay for this Drawer; but he (the Drawer) having other Friends in the Place, and they hearing of the Dishonour offered to their Friend's Signature, interfere for his Honour and Account, by accepting such Bill, under Protest, and a Declaration, or Act of Honour. In this Instance

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 stance the Drawer of such Bill, and other
 Persons concerned therein, by way of Indorse-
 ments, are held, and ought in Law to be held
 liable and obliged to reimburse such Person or
 Persons, interfering for the Honour of their
 Names.

If the Acceptor of a Bill does not dis-
 charge it the Day it falls due, and called for,
 his Credit amongst Merchants is lost, and he
 is esteemed, as failed.

If a Protest on a Bill is returned for Non-
 acceptance, it is my humble Opinion, as to
 Custom, that the Drawer or Indorser of such
 Bill, thus protested, for Want of Acceptance,
 ought upon the first Notice and Application
 to him, to be obliged to give immediate Se-
 curity, that notwithstanding such Protest, yet
 that the Bill shall at its Expiration be dis-
 charged and paid, at the Place where it is
 drawn upon; or that in Default thereof, the
 Drawer or other Person or Persons interested
 in such Bill, from whom this Security is de-
 manded, shall repay the principal Sum of such
 Bill, with all the customary Expences of Re-
 exchange, Cost, Damages and Interest. Yet
 I am told, as the Law now stands, the Drawer

or

or Drawers of such Bill, or the Indorser or
 Indorsers thereof cannot legally be compelled
 to give such Security, notwithstanding any
 Custom to the contrary; for which I can see
 no right Reason: For, without doubt, this
 Custom is founded upon this Principle, that
 it is understood to be one of the equitable
 Conditions implied in a Bill of Exchange,
 drawn to be paid at a future Day, that such
 Bill shall be accepted by the Person on whom
 it is drawn, when presented; as also that it
 shall be paid at the precise Time it becomes
 due. Why then should not a Drawee or an
 Indorsee have a Remedy, if the first of these
 Conditions is not complied with, as he has, if
 the Bill is not discharged at the Time of its
 Expiration, in the Place it is drawn upon?
 But to this it is answered, that Law is
 bounded by particular and express Words,
 and not by implied Conditions; I therefore
 apprehend, it would be the Interest of Dealers
 in Exchange, till this Matter is settled by
 Parliament, that Merchants when they draw
 their Bills, should say, accept and pay this
 first, second, third, and so forth of Exchange,
 instead of the present customary Words of,
 pay by this my first, second, and so forth of
 Exchange; which would, in express Words,
 identify

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identify the Terms of Bills, from any implied
Condition, to an exprefs and limited Obliga-
tion, and in Default of its Performance would
entitle the Holders of fuch Bills to an imme-
diate Remedy.

It is ufual and customary for Merchants to
take Bills of Exchange on one Place and remit
them to another, when they find by Calcula-
tion, that the Price or Courfe of Exchange
will afford them a Profit by fo doing: Sup-
pofe *A* of *London* draws upon *B* of the fame
Place, at two Ufances, or any other agreed
Term of Time, for any given Sum or Sums
on *Amfterdam*, and fuppofe *B* finds, that at
this Time, by the Price of Exchange at *Paris*
or *Amfterdam* that he can have more Profit,
by having the Bills fo taken negotiated at
Paris, and having their Produce returned him
by Bills on *London*, than by remitting thefe
Bills directly to *Amfterdam*, and having Re-
turns for them on *London*. *B* in this Instance
(as ought every body in all Instances of the
like Nature) ought by Law to be obliged to
fend the First of fuch Bills to his Agent in
Amfterdam, in order to demand their Accep-
tance; and in cafe of Acceptance, to be kept
at the Difpofal of their Seconds, Thirds, or
Fourth

Fourthly duly indorfed; and in cafe of Re-
fufal, to get them protefted for Non-accep-
tance: But fuppofe *B* omits this neceffary Re-
quisite, and that *A* knows nothing to the
contrary, but that his Bill or Bills are ac-
cepted; I think, for the fake of Order and
the neceffary Regulation of this Branch of
Bufinefs, the Drawee *B* ought to be made
chargeable for this Neglect, and the Drawer *A*,
by Law, acquitted from his Obligation.

SUPPOSE a Merchant of *Bristol* fends to his
Correspondent at *London* a Bill of Exchange
for 500 l. on his Agent in *Amfterdam*, in order
to be negotiated in *London* at the current
Courfe of Exchange at *London*, on *Amfterdam*;
and fuppofe this Agent will not accept or pay
for the Account of his *Bristol* Correspondent,
but accepts and pays, under Protefts, for Ho-
nour and Account of the Indorfer in *London*,
and gives him immediate Notice thereof, by
fending him the Protefts and Acts of Honour;
this Indorfer is by Custom, and ought by the
exprefs Words of Law to be held liable to
reimburfe his Friend in *Amfterdam*, for thus
interfering for the Honour of his Signature,
and the *Bristol* Merchant will be held liable
to repay his Friend in *London*, not only the
principal

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principal Sum of such Bill, but also all the
customary Charges of Re-exchange, Cofts,
Damage, and Interest, besides suffering a dis-
agreeable Affront to his Credit, from the Dis-
honour his Signature met with in *Amsterdam*.

I have said before, that if the Acceptor of a
foreign Bill of Exchange refuses Payment
thereof, when it becomes due, that such Ac-
ceptor, in the Estimation of Merchants, is
deemed as failed: And it frequently happens
in these unhappy Instances, that there are
many Bills with his Acceptances out-stand-
ing against him, running due; yet, I conceive
it to be the indispensable Obligation, by Cus-
tom, and ought to be so by Law, that the
Holders of such Bills should be obliged to call
for immediate Security (though the Bills are
not become due) from the Acceptor, as he
had failed in the Credit of his Payments, and
upon Refusal of such Security, to give the
earliest Notice thereof to his or their Em-
ployers; by sending them Protests for Refusal
of this Security, but not to return the Bills
until the Time of their becoming due, and
then, if their Payment is refused, to protest
the Bills a second Time, for Want of Pay-
ment, and afterwards and as soon as it is pos-
sible,

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sible, to return the said Bills with their Protests
to their Principals,

THE Want of performing these Requisites,
has been productive of many Disputes betwixt
Merchants; and it is a Question not yet de-
termined, whether legally, the Drawers and
Indorsers of such Bills, are discharged from
their Obligation of Reimbursement, by the
Neglect of not performing these essential
Obligations; for my own Part, by what I
apprehend of the Custom, I think they are,
as I do not conceive, that any Agent, or Agents,
for Merchants, have, or ought to have, in
the Observance of the strict Rules which are
absolutely necessary to be observed in the car-
rying on this useful Branch of Commerce, by
Bills of Exchange, a discretionary Power to
dispense with these Forms; therefore the Law
ought, by express Words, to bind them to
it; and, until it is thought proper to be done,
every prudent Person ought to be very careful
to avoid all Disputes, by making himself Mas-
ter of the known Custom of Merchants, and
punctually executing what is generally under-
stood to be such.

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THERE is not, nor can there be any thing so dear to a Merchant who is a Negotiator of Bills of Exchange, as his public Credit: If their Acceptances are not paid to a Day, their Failure therein will never be forgot, such being the Nicety of Credit and mutual Confidence; and such indeed it ought to be. Credit being, next to Money, of the greatest Use to a Commercial Society; and such Person or Persons thus failing in their Payments, are dead to their former Society, and to their future Peace of Mind; and as to their Happiness in this World, they had better be naturally dead; as is the Case of an Officer, who in the Day of Trial proves bashful, and is publicly noticed.

ACCEPTORS of Bills of Exchange are, as I conceive, both by Law and Custom (supposing them always within the Act of Limitation) understood to be liable to pay their Acceptances, let the Defaults of the other Parties, in such Bills of Exchange, be as they may.

THE Acceptor of a Bill of Exchange ought to know to whom he pays it, to prevent the
Loss

Loss and Inconvenience which it is possible to happen from a forged Indorsement.

INDEED there is one Case where I apprehend that an Acceptor is not always bound to pay his Acceptance, and that is, where he accepts to be paid, when due, at his Banker's; if the Holder of this Bill does not call punctually at the Banker's Hours of Payment, for the Money of such Bill, the precise Day it falls due; and suppose, the next Day, such Banker stops Payment, in Debt to the Acceptor; he, the Acceptor, is discharged, as I think, from his Obligation of Payment, and the Holder of such Acceptance must take the Consequence of his Neglect.

IN all Protests upon foreign Bills, for Non-acceptance, and Non-payment, the Words, *Re-exchange, Costs, Damages, and Interest, suffered, and to be suffered,* are always inserted; and, probably, it may not be disagreeable to such of my Readers as are not acquainted with the executive Part of this Species of useful Commerce, to explain what *Re-exchange* is.

RE-EXCHANGE is, that Profit which the Drawee of a Bill is entitled to make of his Money paid in Exchange for foreign Bills.

IN order to make this Matter clearer by Example, let it be supposed that *A* of *London* draws to the Order of *B*, of the same Place, 500 *l.* on *C* of *Amsterdam*, at the Rate, or Course of Exchange, of 36 Schil. per Pound, Sterling, at Sight; and suppose *B* of *London* indorses this Bill, for his own Account, to *D* of *Amsterdam*, *D* will be intitled to receive from *C* Five Thousand Five Hundred Guilders, Bank Money, to be remitted, or returned back to *B*, at the then current Course of the Exchange, on *London*, at *Amsterdam*.

SUPPOSE this Course to be 35 Schil. 5 St. per Pound Sterling, at Sight, at which Price, the Five Thousand Five Hundred Guilders will make in *London* Five Hundred and Seven Pounds Ten Shillings Sterling; so that *B*, in this Case, will make a Profit of Seven Pounds Ten Shillings Sterling by this turning of his Money. But let it be supposed, that *C* of *Amsterdam* refuses to pay this Bill, and that *D* returns the same, with Protest for Non-payment, to *B* of *London*, *B*, in this Instance, will

will be intitled to receive from *A* the principal Sum of 500 *l.* as also this Profit of Seven Pounds Ten Shillings, which is called the Re-exchange; besides Commission, Brokerage, Postage of Letters, and Costs of Protests, which are called the Charges. But it may happen, that the Re-exchange will not amount to the common Interest of the principal Sum negotiated; in this Case, it is at the Option of the Drawee, *B*, to charge the Drawer, *A*, with Interest for the Time this Money was advanced, instead of Re-exchange; and also to charge Commission, Brokerage, Postage, and Cost of Protests; all which *A* is oblig'd to reimburse, and pay, besides suffering a very disagreeable Dishonour to his Credit.

THERE are many other Cases and Incidents which may, and do arise in the Course of the practical Part of this Business, which it would be both tedious and tiresome to the Reader to insert, having, as I imagine, here mentioned the Foundation from whence such Cases may arise, and hinted at the Necessity of an Act of Parliament, by which all probable Cases may precisely be determin'd, and thereby avoid the undeterminate and vague Opinions of Merchants, as to their Customs.

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THERE are Acts of Parliament (the one in the Ninth of *William* the Third, the other in the Third and Fourth of *Queen Anne*) which regulate the Rules and Obligation to be observed for the better Payment of Inland Bills of Exchange, and Promissary Notes; why an Act might not be petitioned for, to appoint and enforce the Rules for the better securing the Payment and Reimbursement of foreign Bills of Exchange, must be submitted to better Judgment.

I HAVE often thought it very extraordinary, why the several Laws now in being, and which so grievously affect foreign Trade, and which took their Rise in the House of Commons, mostly, since the Year 1688, were not opposed by the Body of the Merchants of the City of *London*, at the Time when they were first proposed; but when I considered the general Education, Capacity, and Genius of these Gentlemen, I reconciled this Matter pretty much to myself, partly from the Violence of Party Rage in those Times, but more rationally, that the far greater Number of these Gentlemen are confined and limited to particular Branches of Trade and Commerce, such

such as your *Turkey* Merchants; *Russia*, *Dutch*, and *Hamburg* Merchants; *West-India* and *North-America* Merchants; *French*, *Spanish*, *Portugal*, and *Italian* Merchants, *Irish* and *Scotch* Merchants, who mostly acquire the Art and Knowledge of their Business by certain traditional Rules, conveyed to them from Father to Son, without ever entering into, or seeking the Means of acquiring the Knowledge of the Nature of general Commerce, and the happy Influence it is capable of affording, when well directed, to the Society.

THESE Gentlemen have little or no general Union amongst themselves; their Notions are bounded by Self-Interest and Avarice, which subject them to the cunning Schemes of artful Men, and they submit to whatever is thought proper to be ordered, provided it does not immediately affect the particular Branches of their Business.

F I N I S.

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 contains a list of names and titles
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