any other perſon's ounce of money; it would create ſuch a diſtraction in all kinds of traffic, that would fruſtrate the very end and deſign of money.

The *baſe metals*, as *copper*, *tin*, *lead*, and *iron*, have none of them the above quality, or that preciſe certainty of value, required in money. For, although the artiſts employed about them, can ſoon find that this maſs of copper, for inſtance, is better or worſe than that other maſs, at leaſt for their particular purpoſes; yet, there is no method of aſcertaining, to any exactneſs, what is their reſpective pureneſs; or what is the ſpecific difference betwixt, or what is the true proportional value of, different maſſes of that metal in reſpect of one another. And therefore * copper, is not a fit material for money: And the other baſe metals, are ſtill more unfit; for the like, and other reaſons, that are ſufficiently obvious. Their great plenty and cheapneſs, is a farther objection to the making money of any of the baſer metals.

III.

* Copper coins with us are properly not money, but a kind of *tokens* paſſing by way of exchange inſtead of parts of the ſmalleſt pieces of ſilver coin; and as ſuch, very uſeful in ſmall home traffic.

III. *Fine ſilver and fine gold, of equal goodneſs every where.*

25. Silver and gold, when pure and unmixed with baſe metals, are called *fine*, or *fine ſilver*, and *fine gold*. And theſe, called the *precious* and *noble metals*, when thus pure, have every where the ſame characteriſtics, and in all reſpects the ſame qualities, ſo far as hath hitherto been diſcovered; that is, an ounce of any fine ſilver, is exactly of the ſame intrinſic worth or value, with an ounce of any other fine ſilver: And the ſame of fine gold, with reſpect to fine gold.

But theſe precious metals, are ſeldom found pure, till they are made ſo by art for particular purpoſes; and when they are not pure, the metal commixed with them is called *alloy*. This alloy is reckoned of no value; that is, if to an ounce of fine ſilver be ſuperadded, ſuppoſe, an ounce of copper; this addition of copper, though it increaſes the maſs to double the quantity, yet gives that maſs no additional value: So that one ounce of fine ſilver, is of as * great value

* A certain proportion of copper will even depreciate the value of the ſilver mixed with it; if this proportion be ſo great, as to make the ſilver not fit for common purpoſes, without refining.

value as the two ounces of this mixed mafs. And the reafon of it is, becaufe thefe metals cannot be again feparated, either without a total lofs of the copper, or without more coft than profit. In like manner, not only copper, but filver alfo, is an alloy to gold; and when they are commixed together, the filver is reckoned of no value, unlefs it be in fuch proportion to the gold, as to make it worth the refiner's while to feparate them *.

Silver and gold, when alloyed, are faid to be of fuch a fineneſs, according to the proportion there is of fine filver or fine gold, to the whole mafs. Thus, a mafs of filver, containing eleven parts of pure or fine filver, and one part of alloy, is faid to be $\frac{11}{12}$ fine; or with us in *England*, eleven ounces fine; becaufe our pound for weighing gold and filver, is fubdivided into twelve ounces.

IV.

* For the fame reafon, a proportion even of gold mixed with filver, that is lefs than a penny weight in a pound Troy, doth not add to the value of the filver, excepting fo far as it increafes the mafs; the gold, in this cafe, being reckoned only as filver, and not confidered as increafing the value of that filver, with which it is mixed. And I am informed, that a penny weight of gold in a pound weight of filver, is the leaft proportion of gold, that will pay for refining; this being reckoned a profit only of about one farthing *per* ounce.

IV. *Silver and gold the only proper and fit materials of money.*

26. The degrees of fineneſs of both ſilver and gold, are diſcoverable, by ſkilful aſſay-maſters, to great exactneſs; and theſe metals, being univerſally of equal goodneſs, according to their purity, they are proper materials of money. And indeed, they have manifeſtly a peculiar fitneſs for that purpoſe, above any other material hitherto known; and accordingly, theſe metals only are uſed as ſuch, by all the polite and trading nations of the world.

V. *Of* COINS.

27. As the intrinſic qualities, or degrees of fineneſs of given maſſes of ſilver and gold, are not diſcoverable without art, trouble and expence; the expediency of coining was ſoon diſcovered. The public ſtamp upon coins, is a voucher and ſecurity to every one, that the coins that wear it, are of a certain fineneſs, and intrinſic value, according to their ſize or weight: And coins alſo, being more diſtributive than bullion, are, upon that account likewiſe, more convenient for trade, and in the common affairs of life.

Names

Names of coins, and of integral ſums of money, taken chiefly from weights.

28. In antient times, the names of given ſums of money, do not ſeem to have been properly the names of any ſpecies of coin, but of different proportions of weights: As the *talent*, *ſheckle*, *mina*, *drachma*, &c. and in later times, *pound*, *mark*, &c. The mark is now diſuſed by us; but in ſeveral of the neighbouring countries, it is ſtill their integer for weighing metals, and is ſubdivided into eight ounces. And when the art of coining became eſtabliſhed, the coins took their names from certain weights, uſed in the reſpective countries; to which weights, the coins at firſt exactly correſponded. The integral ſums of money, were alſo denominated, from integral weights; as the *livre* in *France*, and the *pound* in *England* and *Scotland*; and ſo many of the coins as made the *ſum* of one pound, or a *money* pound, made alſo exactly a pound in *weight*. At preſent, we have only the names *pound* and *penny*, that are common both to money and weights: Antiently, a *ſhilling* was here the name of a given weight; and 240 pennies made the *ſum*, as at preſent, of one

pound, and a pound.weight. But now, a ſilver penny is only the $\frac{1}{3}\frac{0}{?}$ of a penny-weight Troy; which is a little more, than a third of what a penny weighed at the conqueſt.

Of our preſent weights, and diviſions of money.

29. It is thought that the *livre*, or pound weight, of ſilver, was inſtituted as the *money integer*, by CHARLEMAGNE: And this he ſubdivided into *ſols*, and *deniers*, which bore exactly the ſame proportion to the *pound*, as our *ſhillings* and *pence*, now do, to our *money pound*, or *pound ſterling*. I have not met with any diſtinct account of the *Saxon* weights; but it is very probable, that the weight called the *pound of the Tower of London*, was the old *Saxon pound*. This pound contained $11\frac{1}{4}$ ounces Troy; and did not very ſenſibly differ, from 12 ounces of the weight ſtill uſed in the money affairs of *Germany*; and there known, by the name of *Colonia* weight. The *Tower weight* continued in uſe at the mint there, from the conqueſt till the 18th year of the reign of *Henry* VIII; at which time it was laid aſide, and the *Troy weight* introduced in its ſtead. The *Saxon* or *Tower pound weight*, was divided,

vided, as our *money pound* now is, into *ſhillings*, *pennies* and *farthings*; and it ſeems very probable that antiently, the weights anſwering to theſe names and ſubdiviſions, were thoſe in common uſe.

I was obliged to my late learned friend MARTIN FOLKES, Eſq; for this account of the *Saxon* weight, *&c.* long before he publiſhed his curious *Table of Engliſh ſilver coins*, where the ſame is to be met with: A work which none, who are deſirous of having an exact hiſtory of our coins, ſhould be without; and from which, as a farther illuſtration of this ſubject, I beg leave to make the * following extract.

The

* *Page* 1, 2. The Troy weight, *Pondus Trecenſe*, from *Troyes* in *Champagne*, is generally ſuppoſed to have been introduced here by the *Normans*; but does not ſeem to have been immediately eſtabliſhed. It is moſt probable that the pound of the *Tower*, or the monyers pound, was alſo the pound in common uſe before the conqueſt; and that it continued to be ſo for a conſiderable time after, till the Troy pound, perhaps from its greater weight, got the preference by degrees. It is obſervable, that in the old ſtatute called *Aſſiſa panis & cereviſiæ*, 51 *Hen.* III. and which it ſelf refers to "older ordinances made in the time of the king's progenitors," the weights of the ſeveral quantities of bread, *&c.* therein mentioned, are not expreſſed in Troy but in money weights, that is, in pounds, ſhillings, pennies, and farthings. "When a quarter of wheat is ſold for xii *d.* then "waſtel breade of a ferthing ſhall weigh vi *li.* and xvi *s.* "Breade cocket of a ferthing of the ſame corne and bultel, "ſhall weigh more than waſtel by ii *s.* Cocket breade made "of corne that is of leſs price, ſhall weigh more than waſtel by v *s.* A ſimnel of a ferthing ſhall weigh ii *s.* leſs "than waſtel, *&c.*"

That coins in all or moſt countries have, at different times, been debaſed; but the ſame denominations ſtill continued.

30. The antient denominations given to money, in the ſeveral countries, have been ſtill continued; but the coins which made up the ſums ſo denominated, have been ſince, at different times, greatly debaſed or diminiſhed in their value *. And now coins, are

Our learned author goes on, and brings ſeveral more authorities to ſhew, that the money or *Tower* weights, known alſo in *France*, were thoſe antiently uſed in *England*. But I ſhall treſpaſs no farther upon him here, than in adding the following extract of a *verdict relating to the coinage of* 30*th Octob.* 18 *Hen.* VIII, remaining in the Receipt of the Exchequer at *Weſtminſter*, in which are the following words. "And whereas "heretofore the merchaunte paid for coynage of every "pounde *Towre* of fyne gold, weighing xi oz. quarter "Troye, ii *s.* vi *d.* Nowe it is determyned by the king's "highneſs, and his ſaid councelle, that the foreſaid pounde "*Towre*, ſhall be no more uſed and occupied, but al maner "of golde and ſylver ſhall be wayed by the pounde Troye, "which exceedith the pounde *Towre* in weight iii quarters "of the oz."

The above citation ſhews the preciſe time when the *Tower* or old *Saxon weight*, was laid aſide, *viz.* 30th *Octob.* 1527; and that the proportion of the *Tower* pound to the Troy pound, was exactly as 15 to 16.

* Our money pound is at preſent only $\frac{10}{240}$, or about one-third, of what it was at the conqueſt; for then it contained $11\frac{1}{4}$ ounces of our preſent Troy weight, and now it is $\frac{20}{62}$ of a Troy pound. By this rule, the readers of Mr. *Lowndes* and of ſome other authors, may correct the accounts which he gives of our coins. At the acceſſion of King *James* I. to this throne, the *Scotch money pound* was but equal to the $\frac{1}{12}$ of ours; and the *French livre* is at preſent, only about half the value of the *Scotch pound*.

are ſo far from being ſerviceable as weights, which they once were; that, with us, as well as in the neigbouring countries, the weight of each piece is not readily known; being very different, from any of the weights in common uſe.

The original ſtandards of coins, having been once impaired; and the ſame names ſtill remaining, after the ſubſtance had been diminiſhed, people did not know where to ſtop; and they ſeem to have thought, that coins had their value, ſome how, from the ſtamp they bore. And hence, for no better reaſon can be aſſigned, ſprang thoſe * adulterations of the coins, and the diſtractions and complaints conſequent thereupon, that are to be met with in the hiſtories of moſt countries.

VI. *Standard of monies.*

31. *Coins* being ſo very convenient, they only, are commonly conſidered and uſed, as *money*; whilſt *bullion*, or gold and ſilver unwrought and unſtamped, are reckoned mere commodities. And in all countries, there is eſtabliſhed a certain *ſtandard*, both

* The *Engliſh*, to their great honour, have adulterated their coins leſs than moſt of their neighbours. A ſummary account of theſe adulterations with us, will be given hereafter.

as to fineneſs and weight, of the ſeveral ſpecies of their coins. In *England*, the ſilver monies are to contain 111 parts of fine ſilver, and 9 parts alloy; and 62 of thoſe coins called ſhillings, are to weigh a pound Troy: That is, the pound Troy with us, contains 11 ounces 2 penny-weights of fine ſilver, and 18 penny-weights of alloy; and of a pound Troy of this ſtandard ſilver, our money pound called the *pound* * *ſterling*, contains $\frac{2}{6}\frac{0}{2}$ parts; or the pound ſterling is $= \frac{2}{6}\frac{0}{2}$ of $\frac{1}{1}\frac{1}{2}\frac{-1}{-}$ of a pound Troy of fine ſilver. And this ſtandard hath continued with us invariably, ever ſince the 43d year of the reign of Queen *Elizabeth*.

The ſtandard of our preſent gold coins, is 11 parts of fine gold, and 1 part of alloy; and $44\frac{1}{2}$ guineas are cut out of a pound Troy; ſo that a guinea is $= \frac{1}{44\frac{1}{2}}$ of 11 ounces of fine gold. The fineneſs of gold is not with us, reckoned by the common weights, but by imaginary ones, called † *carats*: The higheſt degree of fineneſs, or pure

* The ſilver monies of *England*, are now known by the name of *ſterling* or *ſterling money*: A name ſuppoſed to be derived from ſome *Netherlanders*, who were formerly here employed in coining money, and then called here *Eaſterlings*.

† Mr. *Roberts*, in his *map of commerce*, page 24, 199, takes notice, that at *Venice* they have a real weight called *carat*; whence we had the name *carat*, and alſo the weight

ſo

pure gold, is called 24 carats; ſo that our ſtandard is 22 carats of fine gold, and 2 carats of alloy. The carats are ſubdivided into 4 parts called *grains*, and theſe again into quarters; ſo that a *carat grain*, with reſpect to the common diviſions of a pound Troy, is equivalent to $2\frac{1}{2}$ penny-weights.

The ſtandard of money farther explained.

32. It is carefully to be remembered, that by the *ſtandard of money*, is always meant, the quantity of pure or fine metal contained in a given ſum; and not merely the degree of purity or fineneſs of that metal; but the fineneſs and groſs weight are both included. Thus, the ſtandard of a pound ſterling, is 3 oz. 11 dwt. $14\frac{2}{3}\frac{2}{1}$ grains Troy of fine ſilver; which is equal to 3 oz. 17 dwt. $10\frac{2}{3}$ gr. of ſilver 11 oz. 2 dwt. fine, which is our ſtandard of fineneſs. The ſtandard of a ſhilling, is $73\frac{2}{3}\frac{9}{1}$ grains Troy of fine ſilver, or $80\frac{2}{3}\frac{8}{1}$ grains of ſilver $\frac{1}{1}\frac{1}{2}\frac{1}{}$ fine.

ſo called by jewellers; and that the *Venetians* had this weight from the *Indians* or *Moors*. This author ſays, that 150 *Venetian* carats, make one ounce Troy; ſo that one carat is equal to $3\frac{1}{5}$ grains Troy, which is nearly the weight of the carat uſed by our jewellers. The late learned and curious MARTIN FOLKES, Eſq; found by a nice examination when he was at *Venice*, that a *Venetian* carat doth weigh as above, or that 150 of thoſe carats do make pretty exactly one ounce Troy.

The ſtandard of our money, ſtrictly ſpeaking, remains the ſame, ſo long as there is the ſame quantity of pure ſilver in the reſpective coins having the old or given denominations; though the coins may be varied, by making them, either of finer ſilver and lighter, or of coarſer ſilver and heavier. But ſuch deviations from the old method of coining, would be imprudent; as it might create ſuſpicion of ſome unfair dealings, and would anſwer no good purpoſe. On the other hand, the ſtandard may be debaſed or lowered, either by coining the ſeveral ſpecies lighter, but of the old fineneſs; or by retaining the old weights, and making them of coarſer ſilver; or without altering the reſpective coins, by making a ſmaller number of them go to the *pound ſterling*, which is our *Unit* or money ſtandard. And by debaſing the ſtandard, I every where mean, the leſſening of the quantity of pure ſilver in the pound ſterling, or in the reſpective ſpecie which by law is ordained to make up that ſum; without regarding the particular manner, in or by which, this may be done.

Why

Why coins and plate have alloy.

33. As the alloy mixed with ſilver and gold, is reckoned of no value; it may be aſked, why any alloy is put into coins, and plate? The reaſons are theſe: 1. It is ſeldom or ever, that ſilver or gold, are found pure in the mines; and the trouble of refining to make them ſo, would be very great and expenſive: And 2. a certain proportion of alloy, renders theſe metals harder, and fitter for the uſes, to which they are commonly applied. The ſtandard of about $\frac{11}{12}$ fine, is very convenient: For, if it be much coarſer, both ſilver and gold will loſe of their colour, beauty, and ductility; and if the ſtandard be much finer; thoſe metals will be too ſoft for many purpoſes, and a great expence of refining will be unavoidable.

VII. *There can be but one ſtandard of money.*

34. Hitherto, we have conſidered both ſilver and gold, as being either of them a fit material to be made, or uſed as money. But although there may be good reaſons for coining each of them; yet it is very certain, that one only of theſe metals can be the

money,

money, or *ſtandard meaſure of commerce*, in any country. For the ſtandard meaſure muſt be invariable, and keep the ſame proportion of value, in all its parts: Such is ſilver with reſpect to ſilver, and gold to gold; that is, an ounce of ſilver is always worth juſt an ounce of ſilver; and two ounces of the one or the other of theſe metals, is juſt double the value of one ounce of the ſame. But ſilver and gold, with reſpect to one another, are, like other commodities, variable in their value; according as the plenty of either, may be increaſed or diminiſhed; and an ounce of gold that is worth a given quantity of ſilver to-day, may be worth more or leſs ſilver, a while hence. And therefore it is impoſſible, that both theſe metals, can be a ſtandard meaſure of the values of other things, at the ſame time; and one of them muſt be a mere commodity, with reſpect to the other.

Silver the money or ſtandard meaſure of the greateſt part, if not of all Europe.

35. Silver coin is, and time immemorial hath been, the money of accompt of the greateſt part of the world; and in all countries where it is ſo, *ſilver* is truly the *ſtandard*

meaſure of commerce; and all other metals, gold as well as lead, are but commodities rateable by ſilver.

In *England*, accounts are kept or reckoned by the *pound ſterling*; which, as hath been before obſerved, is a certain quantity of fine ſilver appointed by law for a ſtandard. It is according to this ſtandard, that the public revenues are eſtabliſhed; lands are let; ſalaries, ſtipends, and wages ſettled; and univerſally, all ſorts of contracts both public and private, are made and governed by this ſtandard. And altho' it be ſuppoſed, that with us, more payments, or of greater value, are made in gold than in ſilver coins; yet that doth not alter the ſtandard, whilſt the accounts are kept in ſilver; ſo long, in all our internal dealings at leaſt, the gold can be only a commodity, ſuppoſed to be worth ſo much ſilver as it paſſeth for *: And the caſe would be the ſame, although our ſilver coins ſhould grow yet ſcarcer.

VIII. *Silver the fitteſt material, hitherto known, for money.*

36. All nations having, for ſo many ages, made uſe of ſilver for the ſtandard meaſure of

* This whole matter relating to the ſtandard of our money, ſhall be farther diſcuſſed hereafter.

of the values of other things; that alone, ſeems to be a ſufficient reaſon for continuing the ſame ſtandard; and the altering it now, from ſilver to gold, was the thing it ſelf practicable, would beget great perplexities in all kinds of dealings and accompts. But farther, ſilver being of a more moderate value than gold, is, * for that reaſon, better ſuited for the purpoſe of money. For the integer and its ſeveral parts, ſhould bear an exact and due proportion of value to each other; and this would be impoſſible, if they were made of different materials. There muſt be coins of about the values of ſhillings, and ſix-pences; and it would be better, if we had ſome that were ſtill ſmaller: Thoſe ſorts of coins are the moſt frequently wanted; and there is no doing without them, or ſome ſubſtitutes in their ſtead. But theſe ſubſtitutes, being made of a different material from the ſtandard money, are not themſelves to be reckoned money; for the uſing ſuch, would be a deviation from the true uſe and intent of money;

* It is alſo for the ſame reaſon, better ſuited for the making of various ſorts of utenſils; and money, as hath been before obſerved, is intrinſically valuable, becauſe, by melting, the material is convertible into ſomething uſeful. And it may be queſtioned, whether coins had preſerved their value, and been continued as money, if ſilver and gold had not been applicable to other purpoſes.

ney; and would ſubject the people where they paſſed, to loſſes and perplexities. A coin of a ſhilling, or even of half a crown value, would be too ſmall in gold; and therefore at preſent, gold is much too valuable for a ſtandard of money. And it would be a ridiculous and vain attempt, to make a ſtandard integer of gold, whoſe parts ſhould be ſilver; or to make a motly ſtandard, part gold and part ſilver. Theſe different materials could not long agree in value; and ſilver being the moſt common and uſeful coin, would ſoon regain its antient place of a *ſtandard meaſurer*.

Silver, I think, is leſs ſubject to variation in its value, than gold. For ſilver having been diſtributed in great quantities over all *Europe*, as well in coin as in plate of various ſorts; a ſudden influx, or efflux of it, by a quicker or ſlower production of the mines, doth not ſo ſoon affect the whole maſs. The wages of day-labour, being alſo uſually paid in ſilver, may be another great reaſon, of a more even and permanent value of this metal. But without laying much ſtreſs, upon the greater variations in the value of gold; which perhaps may be alſo partly owing, to its being every where in the eyes of the laws a mere commodity;

modity; I think, it is ſufficiently evident that ſilver at preſent, is a much fitter ſtandard to meaſure with, than gold.

Silver a fit ſtandard, though its plenty varies.

37. It may be here objected, that as the value of ſilver, like all other commodities, muſt needs be variable, according as the plenty of it is increaſed or diminiſhed; ſilver cannot be a * fixed ſtandard, like that of mere extenſion as a yard or a buſhel, for mea-

* Mr. LOCKE well obſerves, that that grain which is the moſt conſtant and general food of any country, as *wheat* in *England*, and *rice* in *Turkey*, is the moſt likely thing to keep the ſame proportion to its vent for a long courſe of time; and therefore the fitteſt thing to reſerve a rent in, which is deſigned to be conſtantly the ſame in all future ages; and the fitteſt meaſure whereby to judge of the altered values of things in any long tract of time. For in *England*, and in this part of the world, wheat being the conſtant and moſt general food, not altering with the faſhion, not growing by chance; but as the farmers ſow more or leſs of it, which they endeavour to proportion, as near as can be gueſſed, to the conſumption; it muſt needs fall out that it keeps the neareſt proportion to its conſumption, (which is more ſtudied and deſigned in this than other commodities) of any thing, if you take it for ſeven or twenty years together: Though perhaps the plenty or ſcarcity of one year, cauſed by the accidents of the ſeaſon, may very much vary it from the immediately precedent or following, But wheat, or any other grain, cannot ſerve inſtead of money; becauſe of its bulkineſs, and too quick change of its quantity. For had I a bond to pay me 100 buſhels of wheat next year, it might be a fourth part loſs or gain to me; too great an inequality, to be ventured in trade: Beſides the different goodneſs of ſeveral parcels of wheat in the ſame year. But money is the beſt meaſure of the altered value of things in a few years; becauſe its vent is the ſame, and its quantity alters but ſlowly. *Locke's works, vol.* II. p. 23, 24.

meaſuring the values of other things. It probably cannot; and perhaps ſilver is now quantity for quantity, of three or four times leſs value, than it was two or three centuries ago. But yet, ſilver being durable, well known, eſteemed, diſtributed in conſiderable quantities over all *Europe*; and its growth, plenty, goodneſs or intrinſic qualities, not immediately depending upon ſeaſons of weather and other caſualties; the alteration of its value hath been, for the moſt part, gradual; and is not likely hereafter to be very conſiderable of a ſudden, though it may in a long courſe of time. And therefore, ſilver is as good a ſtandard meaſure or money, as the preſent ſtate of things will admit of; and very fit and uſeful to be continued as ſuch.

We are at preſent but little concerned, with what might be the value of ſilver in former times; and as little, with what may be its value hereafter. The prices of things will naturally conform to the ſtandard, whilſt the alterations in it are ſlow and gradual, and not forced. But, from the nature of things, the proportion of money to goods, is ever ſubject to ſome variations; and all that can be done, to prevent the inconveniencies that might thence ariſe, is to limit contracts within a moderate term of years:

For,

For, in contracts, quantity only is to be conſidered; and no regard can be had to the future value of money, without deviating entirely from its uſe as ſuch, and rendering all contracts uncertain.

IX. *Gold coins ſhould paſs as money.*

38. Although ſilver is the only ſtandard meaſure of all our contracts; yet gold having every other quality fitting it for money, excepting its being too dear; it may be very fit and uſeful to coin gold, to aſcertain its fineneſs; and to let theſe coins paſs in lieu of money, at ſome * given rate: For gold coins are very convenient, in large payments. But it ſhould not be ſaid or underſtood, that a *guinea*, for inſtance, ſhould be always an equivalent for the ſame quantity of ſilver. For as gold, like other commodities, muſt be ever ſubject to alter in its value, with reſpect to ſilver; the price of this dazzling metal can be no otherwiſe ſettled, than

* As there can be but one ſtandard of money, and ſilver is and ought to be that ſtandard; Mr. *Locke* was, and others are, of the opinion, that gold coins ſhould be left to find their own value, without having any eſtabliſhed legal rates. But this is a matter, I think, of too much importance to be entruſted to private judgment; and, if left at large, might ſubject the nation in general to great impoſitions, by a combination of the traders in coins. But of this ſubject, and alſo of copper coins, more hereafter.

than *pro tempore*. And in all contracts, the price of gold at the time of payment is only to be conſidered; and not what price it might bear, at the times when the contracts were made.

X. *Of* TOKENS, *or baſe coins.*

39. Although ſilver, bulk for bulk, is now about 26 times cheaper than gold; yet ſilver is too dear to be coined into ſpecie of the loweſt denominations of our money. A ſilver penny is too ſmall for common uſe; and yet pence, and their halfs, and quarters, enter daily into accounts. To ſupply the want of very ſmall ſilver coins, a kind of TOKENS or ſubſtitutes have been inſtituted; theſe, are now with us, all made of copper, and of two ſpecies only, called *halfpence*, and *farthings*; and theſe are a legal tender in all ſums below ſix-pence, which now is our ſmalleſt current ſilver coin.

The uſe of copper coins ſhould be ſtrictly confined within the above limit; and therein they are very convenient: But theſe baſe coins ſhould never be thruſt upon the public in too great abundance; or be made to paſs for more than the value of the copper, and the neceſſary expence of workmanſhip; otherwiſe, they will be counter-

feited, notwithſtanding any laws to the contrary. And to leſſen the call for copper coins, it were to be wiſhed that we had in common currency, either ſilver three-pences, or ſilver groats, and two-pences.

XI. *Money finds its own value, according to the whole quantity of it in circulation.*

40. The quantities of all commodities are proportioned, as near as may be, according to the demand or vent for them; and their ultimate prices include the prime coſt, and the profits taken by the ſeveral dealers, thro' whoſe hands they paſs: If the quantity of any commodity exceeds, or falls ſhort of that proportion, its price will fall or riſe accordingly; and ſometimes, a change of faſhion, or humour, may reduce the price of a particular commodity, almoſt to nothing. The prices of things in general are proportioned ſufficiently near, according to the above rule; or, according to their prime coſt to the manufacturer, and the progreſs they make from him to the conſumer. But ſome things, as above obſerved, are ſubject to be reduced by caprice much below this ſtandard; whilſt others are raiſed much above it, by the arts and avarice of monopolizers. And although the ſilver and gold

gold mines, are in few hands; yet, perhaps, there is nothing whoſe value is ſo little in the power of men to regulate, or that keeps ſo even a pace with the quantity ſent to the great market of the world, as bullion. For,

Money, exchanging univerſally for all commodities, the demand for it is without any limits; it is every where coveted, and never out of faſhion: And therefore, on the one ſide, the whole quantity of money, cannot exceed the whole demand; and on the other ſide, the whole demand muſt not exceed, or it muſt reſt ſatisfied with, the whole quantity. For money, is not like food, cloaths, and other things, that muſt be proportioned to our bodies.

Therefore, as ſoon as money becomes properly diffuſed throughout any community; the value of the ſum total of it in circulation, will be equal to the whole quantity of commodities in traffic, in that country: For ſo much money and goods as lie dormant, or are out of currency and traffic, fall not within the preſent conſideration *. And ſo far as gold and ſilver, make the

* There is always a great part of the property of mankind, lying dormant, or out of traffic: But as things are continually ſhifting, and thoſe commodities, and thoſe ſums of money, which are out of trade to-day, may be in trade

the money of the world; ſo far, the whole quantity of theſe metals in circulation, may be ſaid to be equal in value to all the commodities of the world, exchangeable by them: And as the total of the one, is to the total of the other; ſo will any given part of the one, be to a like part or proportion of the other.

And hence, the value of a given quantity or ſum of money, in any country, will be leſs or more, according as the ſum total, or the whole quantity of money in currency, is greater or leſs, in proportion to the whole of the commodities of that country, exchangeable for money: Or, *the value of a given ſum of money will be always, pretty exactly, in a reciprocal proportion to the ſum total, or the whole quantity in circulation*; that is, the more money there is in currency, the leſs will be the value of a given ſum in proportion to other things; and *vice verſâ*. Hence again, it naturally follows, that, *if*, in any country, *the whole quantity of money in circulation, be either increaſed, or diminiſhed; the value of a given ſum will be accordingly leſſened or increaſed* *; and to-morrow; the prices of things always fundamentally depend upon the above rule; that is, on the proportion of the total of things to the total of money.

* Thus, if in any country, a given ſum *A* be the hundredth part of the total money of that country: If that ſum

and that in proportion, as the ſaid ſum becomes thereby, a leſſer or a greater part, of the whole ſtock in currency.

The above * propoſition, is a very fundamental one as to the property of money; and the doctrine it contains is undoubtedly proved, as far as the nature of the thing will admit of, by univerſal experience: Nor is there room for any doubt to remain, when it is conſidered that money, by its very inſtitution, is an exchange for all commodities; and applicable, as money, to no other purpoſe whatſoever. Money being univerſally diffuſed, no one hath the power to command the market, or to ſettle the prices of things; and every one being deſirous to have his ſhare of things, according to his income; all the money, in the long run, will be brought into the great market of the world; and its value, or the prices of things, will naturally be adjuſted, notwithſtanding any efforts to the contrary, according to the proportions above explained.

ſum total be doubled, the value of the ſum *A* will be thereby reduced to one half, as being now but a two hundredth part of the whole; and had the ſum total been reduced to a half, the value of *A* would have been doubled.

* From this propoſition, all the following ones in this chapter, naturally flow as corollaries; but on the account of their importance, they are treated and illuſtrated ſeverally.

By way of farther illuſtration of thi ſubject: Let us ſuppoſe that in a certain di ſtrict, there is ordinarily conſumed a thou ſand buſhels of corn a week; and that (after their money is duly proportioned fo the purchaſing of all other neceſſaries, ac cording to the ways of living of the inha bitants,) the weekly allotment for the pur chaſe of corn, is a thouſand ounces of mo ney: The price of a buſhel of corn, at an average of the ſeveral markets within this diſtrict, will be an ounce of money. Let us ſuppoſe again, that within the ſaid di ſtrict, the ordinary * conſumption of a la bouring man, or rather of a poor family, is about the value of a buſhel of corn a week; part of which is expended in bread, part in other food, and the remainder is reſerved for the purchaſe of cloaths, fuel, for the payment of rent, *&c.* Here then, the price of labour will be at the rate of about an ounce of money *per* week; the loweſt kind of labourers having a little leſs, and the common artificers a little more, than

* The way of living of the lower claſs of people, will be naturally beſt and moſt comfortable, in the happy regions of liberty; where property is duly diffuſed; where there is a gradual and an eaſy tranſition from rank to rank; without that ghaſtly and fearful void between peers and peaſants, betwixt tyrants and ſlaves, which is ever the baneful fruit of arbitrary governments.

than in the ſaid proportion. And hence, labour becomes naturally ſettled, in a certain proportion to the whole ſtock of money in circulation; and this price again becomes, as hath been before obſerved, a natural ſtandard of the values or prices of moſt commodities.

XII. *Laws cannot regulate or alter the value of money.*

41. Silver being made money, and thereby becoming, as it were, a commodity univerſally coveted; wherein every one deals, and to which every one hath a right, according to his reſpective ſhare of property: No ſet of men have it in their power to ſettle, alter, or in any wiſe regulate the value of money; nor can laws do any thing in the caſe, otherwiſe than as by their influence, they may increaſe or diminiſh, the whole quantity in circulation; and ſo affect the value of a given ſum, or the prices of things.

The prices of particular commodities are every day ſubject to change, from natural cauſes; and the ſame may be brought about, by artificial means. But to alter the value of money, would be to alter uniformly and univerſally, the prices of all commodities;

a thing manifeſtly out of the reach of laws, and no other way to be accompliſhed, than by altering the proportion between the ſum total of the one, and the ſum total of the other; and this, perhaps, is continually done, though gradually and inſenſibly, by the common courſe of things.

It is the buſineſs of laws to eſtabliſh rules for coining; that is, to fix a ſtandard, both as to weight and fineneſs, for coins having certain denominations; and a ſtandard being fixed, it would be difficult to ſhew, why it ſhould be afterwards deviated from. For, do what you can; coins, as ſoon as they are out of the mint, are quite free throughout their whole progreſs, to find their own value, according to the quantity of pure metal they contain; that is, to purchaſe as much of any thing, as the market-price will allow. And it ſeems quite a paralogiſm to ſay, which yet I have often heard ſaid, that in any country, money is either too cheap or too dear; or, that its value is in any wiſe ſubject to legal reſtraints or regulations otherwiſe than as ſuch regulations might affect the quantity of the whole ſtock in currency.

Value of bullion not according to the prime coſt at the mines.

42. The value of bullion doth not, like moſt other things, keep pace with the prime coſt, at the mines. If the mines continue working, ſo that the quantity of bullion is increaſed beyond the conſumption; altho' the expence to the proprietor of the mine continues the ſame, or even be increaſed; yet, if the additional quantity of bullion be thrown as money into circulation, and is not hoarded, or worked up into plate, *&c.* the value of a given part of this bullion will be diminiſhed; and that in proportion, as it is now a leſs part of the whole, than it was of the old ſtock in circulation. The owner of the mine, muſt either take leſs profit, or proportion his works more adequately to the conſumption of his products.

An increaſe of any commodity beyond the conſumption, will, after the ſame manner, depreciate the value of a given part; but perhaps in no caſe ſo uniformly, as in that of bullion or money.

As the profits from the *American* mines, have, more than probably, been continually decreaſing, ever ſince the time of their firſt diſcovery; it may be wondered, that they

they have held out ſo long to yield profit ſufficient to tempt the owners to work them. This is to be accounted for, by ſuppoſing, what is very natural to ſuppoſe, that at firſt, the profits of theſe mines, were exorbitantly great: Suppoſe that the firſt cargo of bullion, brought from thence into *Europe*, yielded a profit of 100 to 1: If this cargo was ſufficient to double the quantity of bullion before in *Europe*, the profits of the next would be reduced to one half, or as 50 to 1; and ſo on, the value of a given part would be decreaſed, as the ſum total was increaſed.

But as the navigation to the *Eaſt-Indies*, was diſcovered much about the ſame time, and a vent was found there for a conſiderable quantity of bullion; this hath prevented its value from decreaſing, in the proportion that the quantity brought into *Europe* hath increaſed; and ſufficient profits may yet ariſe from thoſe mines, for a conſiderable time to come. But, although we ſhould ſuppoſe thoſe mines to be inexhauſtible; yet, if no new vent be found for their products, they muſt in time be left to reſt; that is, as ſoon as they ceaſe to yield a profit.

XIII.

XIII. *Money alters its value by ſlow degrees.*

43. It is very manifeſt, that many commodities are ſubject to conſiderable variations in their prices, from natural cauſes; as dearth, plenty, *&c.* and the prices of others, may be enhanced or debaſed by artificial methods; by taxing them, or by a change of faſhion, *&c.* But money being univerſally coveted, and its vent in no wiſe depending upon faſhion; its value, in reſpect of other things, will be, as before obſerved, in proportion to the whole quantities of the one and the other in the market; that is, in a reciprocal proportion to the whole quantity of money in circulation. If one commodity be cried down, another will ariſe in its ſtead; and people will, according to their means, part with their money for ſuch things, and in ſuch proportion too, as they like beſt, notwithſtanding any laws to the contrary. Buyers and ſellers muſt be left free to make their own bargains; and there are natural cauſes that regulate the market.

But money is leſs ſubject to a ſudden riſe or fall of its value, than other commodities, and is therefore ſo far the ſafeſt treaſure

ſure for hoarding; becauſe its value is greatly affected by ſettled eſtabliſhments of revenues, rents, ſtipends, &c. and it muſt have time alſo to penetrate throughout the whole community. Yet neverthelefs, an increaſe or decreaſe of money will operate as ſurely, though by ſlower and more inſenſible degrees, as an increaſe or decreaſe of any commodity.

Why the effect of an increaſe of money, is not more ſenſibly felt.

44. As there hath been a great quantity of bullion annually imported from *America*, beſides what is furniſhed by the *European* mines; it may be reaſonably concluded, that the quantity of money in *Europe*, hath been increaſing for many years; and the preſent prices of things in general, compared with what they bore a good while ago, very manifeſtly ſhews that it hath increaſed. But if we take a ſhort ſpace, as a year or two, the effects of the increaſe of money in that time, are not uſually perceptible; becauſe the ſuperadded quantity, though in its ſelf a large ſum, may yet bear but a ſmall proportion to the whole ſtock, real or imaginary, in circulation; and it may be in a manner diſſipated, before it hath reached to all

ſorts of commodities. Yet, if there be no obſtructions, the effects of an increaſe or decreaſe of money, will in time reach to the remoteſt parts; though, by reaſon of their ſlowneſs or ſmallneſs, thoſe effects may not be ſenſible.

The natural and frequent alterations in the prices of many commodities, ariſing from their greater plenty or ſcarcity, in proportion to the demand for them; take off our attention from the ſhare that belongs to money, and render the effects of an increaſe or decreaſe of its quantity, the leſs conſpicuous. But yet theſe effects, in the long run, will not be the leſs certain: And we may ſafely repeat here, what hath been before advanced, *viz.*

Any given ſum or quantity of money, will have its value in a certain proportion, as it is a part of the whole ſtock or quantity in currency; and any increaſe or diminution of the whole, will in proportion, leſſen or increaſe the value of any given ſum.

Why the prices of commodities, have not roſe in proportion to the increaſe of money.

45. It is next to impoſſible to aſcertain, to any exactneſs, the proportion between what is the preſent caſh of *Europe*, and what

what it was two or three centuries ago; for one of the *Indies*, drains away a great part of the ſuperfluous bullion of the other. Nor will the price of any particular commodity, or of even labour it ſelf, which is perhaps the beſt ſtandard of all, enable us to make a true eſtimate. For, the improvements of arts, leſſen the values or prices of particular commodities; and the improvements of huſbandry, in particular, leſſen the prices of corn and cattle; and thence again, the price of labour will be leſſened.

From all theſe conſiderations, it is natural to ſuppoſe that the quantities of goods in *Europe*, have increaſed, ſince the diſcovery of the *Indies*, far beyond the people; and therefore, the value of any given commodity hath leſſened, in proportion as the ſum total or whole ſtock of commodities hath been increaſed. And if all the above circumſtances could be accurately ballanced; I make no doubt but it would be found, that the prices of things are agreeable to the rule before laid down; that is, the *value* of any particular commodity, will bear nearly the ſame proportion to the ſum total of commodities, diſpoſed of within a given term; as the ſaid *value* bears to the ſum total of money, circulating within that term.

The

The totals on both ſides, being always equal, or nearly equal, in value; ſo that either can purchaſe the other.

But, without conſidering the increaſe of commodities; there may be another cauſe of preventing the value of money from decreaſing, in the ſame proportion that the quantity of bullion brought to *Europe* is increaſed. If the annual conſumption of bullion in *Europe*, both by the *Eaſt-India* trade, and by the converſion of it into plate, be equal to what the *American* mines annually ſupply; the value of money taken abſtractedly, or without referring it to commodities, will remain invariable: But if the ſaid conſumption be leſs, or more, than the ſaid produce of the mines; the whole quantity of money will be accordingly increaſed, or diminiſhed; and the value of a given part or ſum, will be leſſened, or increaſed, in that proportion.

It is the real quantity of coins, or of their ſubſtitutes, that affects the value of money. And this, together with the improvements of arts and increaſe of commodities; is the reaſon, why things in general have not raiſed in their prices, in proportion to the ſuppoſed increaſe of bullion in *Europe*, during the laſt 200 years.

XIV. *A nation having no foreign commerce, will not ſtand in need of any ſpecific quantity of money.*

46. In a country having no foreign commerce, any quantity of money will, in a manner, be ſufficient for all purpoſes; and any increaſe or diminution of the original ſtock, if it be but gradual and ſlow, will ſcarce be attended with any conſequences of moment. This, although to many it may ſeem a paradox, yet clearly follows from what hath been already ſhewed. But as a farther illuſtration of this ſubject:

Let us ſuppoſe that many ages ago, a certain nation conſiſted of half a million of people, and that they had in the whole a million of pounds ſterling; and that afterwards the mines or the mint were no farther worked, than to keep the money exactly to the ſame or the original quantity of a million. We may ſuppoſe alſo, that a regular government, and all the neceſſary arts, were eſtabliſhed amongſt them; and likewiſe that all the money was diſtributed betwixt them, in due proportion according to their ſeveral ranks; ſo that the hire of a labourer, we will ſuppoſe, was ten-pence

a day. By degrees, they increaſe in number one tenth; and with the people, all ſorts of commodities, naturally increaſe in proportion: But the whole quantity of money remaining the ſame, its value increaſed alſo one tenth; and nine-pence now going as far as ten-pence would before, the wages of a day-labourer is reduced one penny: But this he doth not feel the want of; and he hath as much plenty of all ſorts of neceſſaries now, as he had formerly.

In proceſs of time, and that before they had any foreign commerce, the people are increaſed to five millions; and the price of labour, which at firſt was ten-pence, is now reduced to a penny a day. All this while, there were no complaints of the want of money, though every one's ſhare came to but a tenth part of what his anceſtors poſſeſſed. On the contrary, by the improvements of the arts they had ſet out with, and the inventions of many new ones; all ranks of people lived more comfortably, with more eaſe and affluence than their fore-fathers had done.

By theſe improvements of the arts, the whole ſtock of commodities was increaſed beyond the increaſe of the people; and each particular commodity bore leſs than

a tenth part of its antient price: More people in proportion could be ſpared from labour, for particular ſervices and profeſſions; for in many of the arts, one man could perform now, more than two men could formerly. With the increaſe of the people, the taxes on each individual grew naturally lighter; and yet the government grew daily more powerful and ſplendid: Altho' rents and all other things, ſunk in their nominal values; yet a greater affluence and ſplendor of living, was every where to be ſeen. So true it is, that numbers of induſtrious people, and not money, is what enriches a country.

Had the money increaſed with the people, that would have made no manner of difference in the values of things with reſpect to one another; nor would it have been very material, if the orignal ſtock of money had decreaſed upon their hands; the only difference which that would have created, would have been in the nominal prices of things with reſpect to money. Had the money increaſed faſter than the people, ſuppoſe 24 times; the price of labour would have become then 20 ſhillings a day, and yet the workman would have been no ways benefited by that greatneſs of wages.

The

The caſe above ſuppoſed of the quantity of money remaining invariable, whilſt the people increaſed, is the very ſame in effect, as if we had ſuppoſed the number of people to have continued the ſame, whilſt the original ſtock of money had continually decreaſed.

XV. *Any ſudden fluctation of money, would be pernicious.*

47. Money as ſuch, though very uſeful and neceſſary in all ſorts of traffic, yet ſcarce falls within the idea of riches *. Money in its very inſtitution, is profeſſedly of no uſe, but to meaſure the value of, and as an exchange for, things that are uſeful: It is ſo much coveted, not for its own ſake, but for what it will bring; and it is very manifeſt, that in a regular and well-eſtabliſhed community, a greater or leſs ſtock of money doth ſcarce at all affect its wealth and proſperity †. The greateſt effect of money is in its fluctuation, and this if it be ſudden will be generally pernicious in its conſequences.

* Money is here conſidered in the abſtract; but as it is reducible into bullion, plate, *&c.* in that ſenſe it is wealth like other commodities.

† This hath been ſhewed in the preceding, as to a nation having no foreign commerce; how far ſuch a commerce alters the caſe, will be conſidered a little farther on.

If money be a flowing in, ſome branches of trade will be enlivened, and in reality great numbers of individuals will grow richer; as what they pay in taxes, rents, and for * natural products, will be leſs or of leſs value than before; till you come to the loweſt claſs, who, though their wages are raiſed, will yet find little or no advantage by this torrent of money. On the other hand, the government will grow weaker, the nobility, and in general all who live upon eſtates and eſtabliſhed ſtipends, will become poorer; till by an increaſe of taxes, advancement of rents, &c. things can be re-eſtabliſhed. But before this can be accompliſhed, many and great alterations will naturally happen: The government being thus weakened and diſtreſſed, diſorders will inevitably ariſe; as peace and good order cannot be preſerved, unleſs the ſtrength of the government bears a due proportion to that of the governed: The nobility muſt change their faſhion of life, and abate of their antient ſplendor; new debts will be contracted, increaſed, lands mortgaged; and before

* It will be ſome time before this ſuppoſed additional money can penetrate through all the branches of trade, and whilſt ſome traders have exorbitant gains, others will grow poorer, becauſe of their additional expence in many articles; however by degrees all dealers will help themſelves, and grow rich at the expence of thoſe who are mere conſumers.

before the antient owners have a right underſtanding of the cauſe of their diſtreſſes, many muſt part with their eſtates, and give place to new comers.

And this is a natural conſequence of a ſudden flux of money; * the enriching of one part of the community, at the expence of the other; a change of manners amongſt all ranks, ſome perhaps for the better, and ſome for the worſe; until, this tide having ſpent itſelf, things are again reſettled, tho' perhaps in quite a new form.

On the other hand, if the tide of money is a running out; during this ebb, trade will ſtagnate, ſome merchants and ſhopkeepers will break, ſome manufactures will be laid aſide, many hands will be unemployed, and murmurs and complaints will be heard among all ſorts of people concerned in trade. Theſe diſtreſſes will continue, till by an abatement of taxes, lowering of rents, of wages, of ſtipends, *&c.* a due equilibrium among the different ranks of people is again reſtored; and then, altho'

* How far this may have been the caſe of ſome particular country, I do not here conſider. But I think it is manifeſt enough, that an overflow of money in one place, may be the cauſe of poverty and diſtreſſes in another; and that a government may be declining, whilſt duties and cuſtoms are increaſing.

a great part of the money is gone, riches, plenty, and good order, will again abound.

Thus it is manifeſt, that a ſudden fluctuation of money, would be pernicious whilſt it laſted, and for ſome time afterwards *; and that whether the tide be flowing in or going out. But whilſt it glides and circulates ſmoothly and freely, in its natural courſe and channels, money is not only a harmleſs but a beneficial thing; it cheriſhes and invigorates the whole community, and this equally, whether the ſtream be large or ſlender.

XVI. *Ballance of trade, what.*

48. The ultimate ballance of trade is reckoned in money; and it is by this ſcale that the profits of trade are uſually computed. But as money in it ſelf is of no farther uſe, but merely as a kind of inſtrument for the circulation of products or commodities; a very beneficial commerce may be carried on between different nations, without any of them having any money to receive at the cloſe of their accounts. Not only the mariners navigating the ſhips, but alſo

* The effects of the imaginary increaſe of money in the year 1720, and of the real increaſe of factitious money at different periods ſince, do greatly illuſtrate and corroborate what hath been here advanced.

alſo the whole train of artificers employed in the various branches of manufactures, bred and nouriſhed by ſuch a commerce, innumerable brokers, &c. gain all of them a comfortable ſubſiſtence: Each country is accommodated, with what it wanted of the products of the other; and the * merchants on all ſides increaſe in wealth, though at laſt their accounts are even as to money, or yet though one pays a ballance in money to the other.

If bullion be the ſole or chief end of commerce; why are ſhips ſent to any other ports, beſides *Cadiz* and *Liſbon*? Silver and gold are in a manner, the peculiar commodities of *Spain* and *Portugal*; and in the uſual phraſe, theſe nations muſt pay a ballance upon their trade to all the world. And yet they, as well as the reſt of the world, are gainers by trade; they obtain various neceſſaries and conveniences, which their bullion could not have procured them, whilſt they kept it at home; and ſo long as they keep working the mines, ſo long probably they will ſtand in more need of

* That is, each merchant is a gainer, if his returns, after paying all his expences of the voyage, are worth at home more, or will purchaſe again a greater quantity of goods than he had exported: This overplus is the merchant's profit, without which he would no longer trade.

the aid of foreign commerce, than other nations.

A ballance paid in money, doth not neceſſarily inſer a loſs by trade: Suppoſe that laſt year, *Great Britain* paid a ballance upon the whole of its foreign trade, of a hundred thouſand pounds in ſpecie; but that the national ſtock of neceſſaries, in naval ſtores of various ſorts, *&c.* were increaſed to double that value: By the uſual reckoning, we muſt have loſt the laſt year, an 100,000 *l.* by our trade; but by mine, we were gainers by it to the net value of that whole ſum. But had the above ſuppoſed additional ſtock of foreign commodities, been in wines, brandies, fine linnens, toys, or even jewels, *&c.* which were to be all conſumed at home, I ſhould readily have joined in the common eſtimation, of our having been loſers by our trade. Gold and ſilver are valuable commodities, becauſe they are neither periſhable, nor over bulky; and becauſe the monies of the world are made of theſe metals, they retain a more even and permanent value, and are more univerſally coveted than other things. But the *Spaniards* are an inſtance, that a nation may be injured, weakened and impoveriſhed, by an over-ſtock of theſe metals.

How-

However, any nation having gained upon the whole of its commerce a ballance in bullion, may be truly ſaid to be a gainer for that time of ſo much as that bullion amounts to; and if it can keep that bullion as a dead ſtock, either by turning it into plate or by any other method, ſo as to prevent its getting into trade as money; it may continue to go on increaſing in more bullion, which in this caſe will be a real increaſe of wealth. For as bullion hath little or no workmanſhip beſtowed upon it, and is every where after it hath once got from the miner's hands, a kind of dead ſtock, applied to no uſe like other commodities; a nation that pays ultimately upon its trade a ballance in bullion, is a loſer of ſo much of its dead ſtock; and a loſer alſo, if its exports maintained fewer of its own inhabitants, than its imports did of thoſe of foreign nations. Let an increaſed ſtock of bullion get out again into trade, and it will ſoon turn the ballance the other way.

XVII. *The quantity of money every where, will naturally find a certain level or proportion.*

49. It is a received opinion, at leaſt with many people, that a certain ſpe-

cific quantity of money, is neceſſary for the carrying on of foreign commerce; and that any nation not abounding in money, will trade to a great diſadvantage with the reſt of the world: Were this the caſe, thoſe nations who have moſt money, ſhould reap moſt advantage by trade; and *Spain* and *Portugal* ought to carry the prize from all the world. But if this matter be examined, ever ſo ſlightly, it will appear in a different light; and it will appear alſo, that no trading nation can be long in want of money, or be able to keep above a certain quantity of circulating caſh, in proportion to its trade. What is hoarded and kept out of the market, either in caſh, bullion, plate or furniture of any ſort, is out of the preſent queſtion.

Suppoſe that the preſent ſtock of circulating caſh in *England*, was at once reduced to one half, by each perſon's loſing a moiety of his own ſhare. This would ſtrike a great conſternation in all, and be matter of real calamity to many; as the prices of things would not at once abate, in proportion to this great loſs of money. But thoſe diſtreſſes would not laſt long: The prices of all commodities, and of labour, would fall by degrees; this cheapneſs would give them

them a quicker vent in all foreign markets, and all ſorts of manufactures would be carried on here briſker than ever; whilſt at the ſame time, and for the ſame cauſe, the conſumption of foreign commodities with us would be greatly diminiſhed. By the cheapneſs of labour, *England* becoming the beſt market for bullion; that is, bullion fetching more labour and commodities here than in other countries, it would naturally be ſent hither preferable to other things; and bullion would not ceaſe flowing in upon us, till it became as cheap, that is, in as great plenty here, in proportion to our traffic, as in other places.

This ſuppoſed ſudden loſs of money would at firſt, as hath been before illuſtrated, create many diſorders: By the ſudden change it would cauſe in the proportion of property, a damp would be thrown upon manufactures, until the price of labour could be duly reduced; and the nation would be under a great diſadvantage, in the purchaſing of foreign commodities for ready caſh. But theſe diſadvantages would not laſt long; and whilſt things were advancing towards their former ſtate, it is probable that people in general, eſpecially the lower claſs, who are the moſt numerous,

would

would abound more in affluence than at any other period. Labour would be more valuable here, in proportion to commodities; becauſe of the great demand for thoſe commodities, in thoſe countries where money was cheaper, and labour dearer; until at length the equilibrium of money was again reſtored. Had we ſuppoſed the loſs of money to have been leſs, as only, for inſtance, the tenth part; the conſequences thereupon, though leſs perceptible, would have been, upon the whole, the ſame in a proportionable degree.

Let us ſuppoſe our former ſtock of money to be now completely reſtored to us, and it would not be long before it returned again: If we think to increaſe this ſtock much farther, we ſhall be diſappointed; the cauſes that brought it to a certain level, will prevent its riſing much above that level. Where money is grown into great plenty, whatever be the cauſes of that over-plenty; labour, and all ſorts of manufactures will grow dear, too dear for foreign markets: And at the ſame time that the exportation of home-commodities is decreaſing, that of bullion for foreign goods will be increaſing; till at length the tide of the over-plenty of money hath ſpent its ſelf;

ſelf; leaving behind it perhaps, too much the marks of profuſion, and diſorders of various kinds.

In order to illuſtrate this ſubject, I have ſuppoſed caſes that are not likely to happen; the ſtate of things, altho' ever fluctuating, yet change by ſlow degrees. Riches are comparative things; and one nation's growing or declining in wealth, is to be reckoned either with reſpect to its former ſtate, or the preſent ſtate of its neighbours. But the queſtion before us being ſolely about money, which ever way that is turned, it ſeems to me evident, that commerce will ſettle the due proportion of money every where; I mean the proportion in reſpect to the whole wealth and traffic of any country, and not the proportion between one country and another; for this laſt will be ever different and ever variable. Every one ſees that an increaſe of his own caſh would be an advantage to him, and hence money is univerſally coveted; but no one ſees or conſiders, that his own peculiar advantage would ceaſe, if every body's caſh was increaſed in the ſame proportion with his own. Another hath in his eye ſome beneficial trade, which he could enter into if

he

he had but money *: It is none of his buſineſs to conſider, that the trade of the world is limited; that his entering into it, would not extend trade in general. It is the want of vent, and not the want of money, that limits trade; and ſometimes alſo the want of able and ſkilful workmen removes trade from one province or kingdom into another.

All that hath been here advanced, is well illuſtrated and corroborated, by the courſe that manufacturies have taken in our own country. They have been firſt erected in parts that had but little money in common currency; that is, in places where labour, proviſions, and all the neceſſaries of life were cheap: By degrees they enriched thoſe provinces, till at length proviſions of all ſorts, and conſequently labour, became very dear; too dear to ſuſtain, or to be ſuſtained by thoſe manufacturies any longer. This naturally carried them to other places, where money

* The common trite ſaying, "that if a merchant had a "a larger ſtock, he could afford to ſell cheaper," anſwers itſelf: If his ſtock is but ſmall, he ſhould himſelf conſume leſs. If a rich galleon was to be divided among a certain number of our merchants, this would enable them indeed to buy dearer and to ſell cheaper; but this would be detrimental both to their cotemporaries and ſucceſſors, and I think, in the long run, to their country in general. For ſo far as it went, it would enhance the price of commodities at home, and leſſen their vent at foreign markets.