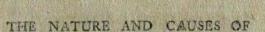




this price it feems to have fallen gradually to CHAP. two ounces of filver, equal to about ten shillings of our present money, the price at which we find it estimated in the beginning of the fixteenth century, and at which it seems to have continued to be estimated till about 1570.

In 1350, being the 25th of Edward III. was enacted what is called, The Statute of Labourers. In the preamble it complains much of the infolence of fervants, who endeavoured to raife their wages upon their mafters. It therefore ordains, that all fervants and labourers should for the future be contented with the fame wages and liveries (liveries in those times fignified, not only cloaths, but provisions) which they had been accustomed to receive in the 20th year of the king, and the four preceding years; that upon this account their livery-wheat should no-where be estimated higher than ten-pence a bushel, and that it should always be in the option of the mafter to deliver them either the wheat or the money. Ten-pence a bushel, therefore, had, in the 25th of Edward III. been reckoned a very moderate price of wheat, fince it required a particular statute to oblige servants to accept of it in exchange for their usual livery of provisions; and it had been reckoned a reasonable price ten years before that, or in the 16th year of the king, the term to which the statute refers. But in the 16th year of Edward III. ten-pence contained about half an ounce of filver, Tower-weight, and was nearly equal to half a crown of our present money. Four ounces of filver, Tower-weight, T 3 therefore,





BOOK therefore, equal to fix shillings and eight-pence of the money of those times, and to near twenty shillings of that of the present, must have been reckoned a moderate price for the quarter of eight buffiels.

> THIS statute is furely a better evidence of what was reckoned in those times a moderate price of grain, than the prices of some particular years which have generally been recorded by hiftorians and other writers on account of their extraordinary dearness or cheapness, and from which, therefore, it is difficult to form any judgment concerning what may have been the ordinary price. There are, besides, other reasons for believing that in the beginning of the fourteenth century, and for fome time before, the common price of wheat was not less than four ounces of filver the quarter, and that of other grain in proportion.

> IN 1309, Ralph de Born, prior of St. August tine's, Canterbury, gave a feast upon his installation-day, of which William Thorn has preferved, not only the bill of fare, but the prices of many particulars. In that feaft were confumed, 1st, Fifty three quarters of wheat, which cost nineteen pounds, or feven shillings and twopence a quarter, equal to about one-and-twenty shillings and sixpence of our present money; 2dly, Fifty-eight quarters of malt, which cost feventeen pounds ten shillings, or fix shillings a quarter, equal to about eighteen shillings of our present money: 3dly, Twenty quarters of oats, which cost four pounds, or four shillings a quar-



ter, equal to about twelve shillings of our present CHAP. money. The prices of malt and oats seem here to be higher than their ordinary proportion to the price of wheat.

THESE prices are not recorded on account of their extraordinary dearness or cheapness, but are mentioned accidentally, as the prices actually paid for large quantities of grain confumed at a feast which was famous for its magnificence.

In 1262, being the 51st of Henry III. was revived an ancient statute called, The Affize of Bread and Ale, which, the king fays in the preamble, had been made in the times of his progenitors, sometime kings of England. It is probably, therefore, as old at least as the time of his grandfather Henry II, and may have been as old as the conquest. It regulates the price of bread according as the prices of wheat may happen to be, from one shilling to twenty shillings the quarter of the money of those times. But statutes of this kind are generally prefumed to provide with equal care for all deviations from the middle price, for those below it as well as for those above it. Ten shillings, therefore, containing fix ounces of filver, Tower-weight, and equal to about thirty shillings of our present money, must, upon this supposition, have been reckoned the middle price of the quarter of wheat when this statute was first enacted, and must have continued to be so in the 51st of Henry III. We cannot therefore be very wrong in supposing that the middle price was not less than one-third of the highest price at which this T 4 **flatute** 

## THE NATURE AND CAUSES OF



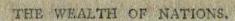
fillings and eight-pence of the money of those times, containing four ounces of filver, Tower-weight.

FROM these different sacts, therefore, we seem to have some reason to conclude, that about the thiddle of the sourceenth century, and for a considerable time before, the average or ordinary price of the quarter of wheat was not supposed to be less than sour ounces of silver, Tower-weight.

From about the middle of the fourteenth to the beginning of the fixteenth century, what was reckoned the reasonable and moderate, that is the ordinary or average price of wheat, seems to have sunk gradually to about one half of this price; so as at last to have fallen to about two ounces of silver, Tower-weight, equal to about ten shillings of our present money. It continued to be estimated at this price till about 1570.

In the houshold book of Henry, the fifth earl of Northumberland, drawn up in 1512, there are two different estimations of wheat. In one of them it is computed at fix shillings and eightpence the quarter, in the other at five shillings and eight-pence only. In 1512, six shillings and eight-pence contained only two ounces of silver, Tower-weight, and were equal to about ten shillings of our present money.

FROM the 25th of Edward III, to the beginning of the reign of Elizabeth, during the space of more than two hundred years, six shillings and eight-pence, it appears from several different statutes, had continued to be considered as what





ordinary or average price of wheat. The quantity of filver, however, contained in that nominal fum was, during the course of this period, continually diminishing, in consequence of some alterations which were made in the coin. But the increase of the value of silver had, it seems, so far compensated the diminution of the quantity of it contained in the same nominal sum, that the legislature did not think it worth while to attend to this circumstance.

Thus in 1436 it was enacted, that wheat might be exported without a licence when the price was fo low as fix shillings and eight-pence: and in 1463 it was enacted, that no wheat should be imported if the price was not above fix shillings and eight-pence the quarter. The legislature shad imagined, that when the price was so low, there could be no inconveniency in exportation, but that when it rose higher, it became prudent to allow of importation. Six shillings and eightpence, therefore, containing about the fame quantity of filver as thirteen shillings and fourpence of our prefent money (one third part less than the fame nominal fum contained in the time of Edward III.) had in those times been confidered as what is called the moderate and reafonable price of wheat.

In 1554, by the 1st and 2d of Philip and Mary; and in 1558, by the 1st of Elizabeth, the exportation of wheat was in the same manner prohibited, whenever the price of the quarter should exceed six shillings and eight-pence, which



#### THE NATURE AND CAUSES OF

filver than the same nominal sum does at present.

But it had soon been sound that to restrain the exportation of wheat till the price was so very low, was, in reality, to prohibit it altogether. In 1562, therefore, by the 5th of Elizabeth, the exportation of wheat was allowed from certain ports whenever the price of the quarter should not exceed ten shillings, containing nearly the same quantity of silver as the like nominal sum does at present. This price had at this time, therefore, been considered as what is called the moderate and reasonable price of wheat. It agrees nearly with the estimation of the Northumberland book in 1512.

THAT in France the average price of grain was, in the same manner, much lower in the end of the sisteenth and beginning of the sixteenth century, than in the two centuries preceding, has been observed both by Mr. Duprè de St. Maur, and by the elegant author of the Essay on the police of grain. Its price, during the same period, had probably sunk in the same manner through the greater part of Europe.

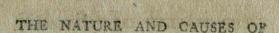
This rife in the value of filver, in proportion to that of corn, may either have been owing altogether to the increase of the demand for that metal, in consequence of increasing improvement and cultivation, the supply in the mean time continuing the same as before: Or, the demand continuing the same as before, it may have been owing altogether to the gradual diminution of the supply; the greater part of the mines





which were then known in the world, being C !! much exhaufted, and confequently the expence of working them much increased: or it may have been owing partly to the one and partly to the other of those two circumstances. In the end of the fifteenth and beginning of the fixteenth centuries, the greater part of Europe was approaching towards a more fettled form of government than it had enjoyed for feveral ages before. The increase of security would naturally increase industry and improvement; and the demand for the precious metals, as well as for every other luxury and ornament, would naturally increase with the increase of riches. A greater annual produce would require a greater quantity of coin to circulate it; and a greater number of rich people would require a greater quantity of plate and other ornaments of filver. It is natural to suppose too, that the greater part of the mines which then supplied the European market with filver, might be a good deal exhaufted, and have become more expensive in the working. They had been wrought many of them from the time of the Romans.

In has been the opinion, however, of the greater part of those who have written upon the prices of commodities in ancient times, that, from the Conquest, perhaps from the invasion of Julius Cæsar, till the discovery of the mines of America, the value of silver was continually diminishing. This opinion they seem to have been led into, partly by the observations which they had occasion to make upon the prices both





duce of land; and partly by the popular notion, that as the quantity of filver naturally increases in every country with the increase of wealth, so its value diminishes as its quantity increases.

In their observations upon the prices of corn, three different circumstances seem frequently to have missed them.

First, In ancient times, almost all rents were paid in kind; in a certain quantity of corn. cattle, poultry, &c. It fometimes happened, however, that the landlord would stipulate, that he should be at liberty to demand of the tenant, either the annual payment in kind, or a certain fum of money instead of it. The price at which the payment in kind was in this manner exchanged for a certain fum of money, is in Scotland called the conversion price. As the option is always in the landlord to take either the fubstance or the price, it is necessary for the safety of the tenant, that the conversion price should rather be below than above the average market price. In many places, accordingly, it is not much above one half of this price. Through the greater part of Scotland this custom still continues with regard to poultry, and in fome places with regard to cattle. It might probably have continued to take place too with regard to corn, had not the inflitution of the public flars put an end to it. These are annual valuations, according to the judgment of an affize, of the average price of all the different forts of grain, and of all the different qualities of each, ac-



cording to the actual market price in every dif- CHAP. ferent county. This inflitution rendered it fufficiently fafe for the tenant, and much more convenient for the landlord, to convert, as they call it, the corn rent, rather at what should happen to be the price of the fiars of each year, than at any certain fixed price. But the writers who have collected the prices of corn in ancient times feem frequently to have mistaken what is called in Scotland the conversion price for the actual market price. Fleetwood acknowledges, upon one occasion, that he had made this mistake. As he wrote his book, however, for a particular purpose, he does not think proper to make this acknowledgment till after transcribing this conversion price fisteen times. The price is eight shillings the quarter of wheat. This sum in 1423, the year at which he begins with it, contained the same quantity of filver as fixteen shillings of our present money. But in 1562, the year at which he ends with it, it contained no more than the same nominal sum does at present.

SECONDLY, They have been misled by the slovenly manner in which fome ancient statutes of affize had been fometimes transcribed by lazy copiers; and fometimes, perhaps, actually com-

posed by the legislature.

THE ancient statutes of affize seem to have begun always with determining what ought to be the price of bread and ale when the price of wheat and barley were at the lowest, and to have proceeded gradually to determine what it ought



of grain should gradually rise above this lowest price. But the transcribers of those statutes seem frequently to have thought it sufficient to copy the regulation as far as the three or sour first and lowest prices; saving in this manner their own labour, and judging, I suppose, that this was enough to show what proportion ought to be observed in all higher prices.

Thus in the affize of bread and ale, of the 51st of Henry III, the price of bread was regulated according to the different prices of wheat, from one shilling to twenty shillings the quarter, of the money of those times. But in the manufcripts from which all the different editions of the statutes, preceding that of Mr. Ruffhead, were printed, the copiers had never transcribed this regulation beyond the price of twelve shillings. Several writers, therefore, being misled by this faulty transcription, very naturally concluded that the middle price, or six shillings the quarter, equal to about eighteen shillings of our present money, was the ordinary or average price of wheat at that time.

In the statute of Tumbrel and Pillory, enacted nearly about the same time, the price of ale is regulated according to every sixpence rise in the price of barley, from two shillings to sour shillings the quarter. That sour shillings, however, was not considered as the highest price to which barley might frequently rise in those times, and that these prices were only given as an example of the proportion which ought to be observed in



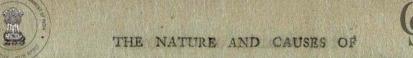


all other prices, whether higher or lower, we may have infer from the last words of the statute: "Et sie desidences crescetur vel diminuetur per sex desidences." The expression is very slovenly, but the meaning is plain enough; "That the price of ale is in this manner to be increased or diminished according to every sixpence rise or fall in the price of barley." In the composition of this statute the legislature itself seems to have been as negligent as the copiers were in the trans-

scription of the other.

In an ancient manuscript of the Regiam Majestatem, an old Scotch law book, there is a flature of affize, in which the price of bread is regulated according to all the different prices of wheat, from ten-pence to three shillings the Scotch boll, equal to about half an English quarter. Three shillings Scotch, at the time when this affize is supposed to have been enacted. were equal to about nine shillings sterling of our present money. Mr. Ruddiman seems \* to conclude from this, that three shillings was the highest price to which wheat ever rose in those times, and that ten-pence, a shilling, or at most two fhillings, were the ordinary prices. Upon confulting the manuscript, however, it appears evidently, that all these prices are only set down as examples of the proportion which ought to be observed between the respective prices of wheat and bread. The last words of the statute are, " reliqua judicabis fecundum præscripta habendo respectum

<sup>\*</sup> See his preface to Anderson's Diplomata Scotiz-



BOOK " ad pretium bladi." "You shall judge of the re"maining cases according to what is above written
"having a respect to the price of corn."

THIRDLY, They feem to have been missed too by the very low price at which wheat was fornetimes fold in very ancient times; and to have imagined, that as its lowest price was then much lower than in later times, its ordinary price must likewise have been much lower. They might have found, however, that in those ancient times, its highest price was fully as much above, as its lowest price was below any thing that had ever been known in later times. Thus in 1270, Fleetwood gives us two prices of the quarter of wheat. The one is four pounds fixteen shillings of the money of those times, equal to fourteen pounds eight shillings of that of the prefent; the other is fix pounds eight shillings, equal to nineteen pounds four shillings of our present money. No price can be found in the end of the fifteenth, or beginning of the fixteenth century, which approaches to the extravagance of thefe. The price of corn, though at all times liable to variation, varies most in those turbulent and disorderly focieties, in which the interruption of all commerce and communication binders the plenty of one part of the country from relieving the fociety of another. In the diforderly state of England under the Plantagenets, who governed it from about the middle of the twelfth, till towards the end of the fifteenth century, one district might be in plenty, while another at no great distance, by having its crop destroyed either





either by some accident of the scasons, or by the CHAI incursion of some neighbouring baron, might be suffering all the horrors of a samine; and yet if the lands of some hostile lord were interposed between them, the one might not be able to give the least assistance to the other. Under the vigorous administration of the Tudors, who governed England during the latter part of the sisteenth century, no baron was powerful enough to dare to disturb the public security.

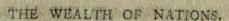
THE reader will find at the end of this chapter all the prices of wheat which have been collected by Fleetwood from 1202 to 1597, both inclusive, reduced to the money of the prefent times, and digested according to the order of time, into feven divisions of twelve years each. At the end of each division too, he will find the average price of the twelve years of which it confifts. In that long period of time, Fleetwood has been able to collect the prices of no more than eighty years, fo that four years are wanting to make out the last twelve years. I have added, therefore, from the accounts of Eton College, the prices of 1598, 1599, 1600, and 1601. It is the only addition which I have made. The reader will fee, that from the beginning of the thirteenth, till after the middle of the fixteenth century, the average price of each twelve years grows gradually lower and lower; and that towards the end of the fixteenth century it begins to rife again. The prices, indeed, which Fleetwood has been able to collect, feems to have been those chiefly which were VOL. I. remark-

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BOOK remarkable for extraordinary dearness or cheapnefs; and I do not pretend that any very certain conclusion can be drawn from them. So far, however, as they prove any thing at all, they confirm the account which I have been endeayouring to give. Fleetwood himself, however, feems, with most other writers, to have believed, that during all this period the value of filver, in confequence of its increasing abundance, was continually diminishing. The prices of corn, which he himself has collected, certainly do not agree with this opinion. They agree perfectly with that of Mr. Duprè de St. Maur, 'and with that which I have been endeavouring to explain. Bishop Fleetwood and Mr. Duprè de St. Maur are the two authors who feem to have collected, with the greatest diligence and fidelity, the prices of things in ancient times. It is somewhat curious that, though their opinions are so very different, their facts, fo far as they relate to the price of corn at least, should concide so very exactly.

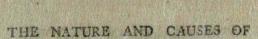
IT is not, however, so much from the low price of corn, as from that of some other parts of the rude produce of land, that the most judicious writers have inferred the great value of silver in those very ancient times. Corn, it has been said, being a sort of manufacture, was, in those rude ages, much dearer in proportion than the greater part of other commodities; it is meant, I suppose, than the greater part of unmanufactured commodities; such as cattle, poultry, game of all kinds, &c. That in those times of poverty and barbarism these were proportion-





ably much cheaper than corn, is undoubtedly CHAP. true. But this cheapnels was not the effect of the high value of filver, but of the low value of those commodities. It was not because filver would in fuch times purchase or represent a greater quantity of labour, but because such commodities would purchase or represent a much fmaller quantity than in times of more opulence and improvement. Silver must certainly be cheaper in Spanish America than in Europe; in the country where it is produced, than in the country to which it is brought, at the expence of a long carriage both by land and by fea, of a freight and an infurance. One-and-twenty pence halfpenny sterling, however, we are rold by Ulloa, was, not many years ago, at Buenos Ayres, the price of an ox chosen from a herd of three or four hundred. Sixteen shillings sterling, we are told by Mr. Byron, was the price of a good horse in the capital of Chili. In a country naturally fertile, but of which the far greater part is altogether uncultivated, cattle, poultry, game of all kinds, &cc. as they can be acquired with a very fmall quantity of labour, fo they will purchase or command but a very small quantity. The low money price for which they may be fold, is no proof that the real value of filver is there very high, but that the real value of those commodities is very low.

LABOUR, it must always be remembered, and not any particular commodity, or set of commodities, is the real measure of the value both of silver and of all other commodities.





inhabited, cattle, poultry, game of all kinds, sec. as they are the spontaneous productions of nature, so she frequently produces them in much greater quantities than the consumption of the inhabitants requires. In such a state of things the supply commonly exceeds the demand. In

improvement, therefore, fuch commodities will represent, or be equivalent to, very different

different states of society, in different stages of

quantities of labour.

In every state of fociety, in every stage of improvement, corn is the production of human industry. But the average produce of every fort of industry is always fuired, more or less exactly, to the average confumption; the average supply to the average demand. In every different stage of improvement, belides, the railing of equal quantities of corn in the fame foil and climate, will, at an average, require nearly equal quantities of labour; or, what comes to the fame thing, the price of nearly equal quantities; the continual increase of the productive powers of labour in an improved state of cultivation, being more or less counterbalanced by the continual increasing price of cattle, the principal instruments of agriculture. Upon all these accounts, therefore, we may rest assured, that equal quantities of corn will, in every state of society, in every stage of improvement, more nearly represent, or be equivalent to, equal quantities of labour, than equal quantities of any other part of the rude produce of land. Corn, accordingly,

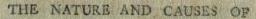


ferent stages of wealth and improvement, a more accurate measure of value than any other commodity or set of commodities. In all those different stages, therefore, we can judge better of the real value of silver, by comparing it with corn, than by comparing it with any other commodity, or set of commodities.

CORN, besides, or whatever else is the common and favourite vegetable food of the people, conftitutes, in every civilized country, the principal part of the subsistence of the labourer. In confequence of the extension of agriculture, the land of every country produces a much greater quantity of vegetable than of animal food, and the labourer every-where lives chiefly upon the wholesome food that is cheapest and most abundant. Butcher's-meat, except in the most thriving countries, or where labour is most highly rewarded, makes but an infignificant part of his fublistence; poultry makes a still finaller part of it, and game no part of it. In France, and even in Scotland, where labour is fomewhat better rewarded than in France, the labouring poor feldom eat butcher's-meat, except upon holidays, and other extraordinary occasions. The money price of labour, therefore, depends much more upon the average money price of corn, the fubfiftence of the labourer, than upon that of butcher's-meat, or of any other part of the rude produce of land. The real value of gold and filver, therefore, the real quantity of labour which they can purchase or command, depends much more

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upon





or command, than upon that of butcher's meat, or any other part of the rude produce of land.

Such flight observations, however, upon the prices either of corn or of other commodities, would not probably have misled so many intelligent authors, had they not been influenced, at the same time, by the popular notion, that as the quantity of silver naturally increases in every country with the increase of wealth, so its value diminishes as its quantity increases. This notion, however, seems to be altogether groundless.

THE quantity of the precious metals may increase in any country from two different causes: either, first, from the increased abundance of the mines which supply it; or, secondly, from the increased wealth of the people, from the increased produce of their annual labour. The first of these causes is no doubt necessarily connected with the diminution of the value of the precious metals; but the second is not.

When more abundant mines are discovered, a greater quantity of the precious metals is brought to market, and the quantity of the necessaries and conveniences of life for which they must be exchanged being the same as before, equal quantities of the metals must be exchanged for smaller quantities of commodities. So far, therefore, as the increase of the quantity of the precious metals in any country arises from the increased abundance of the mines, it is necessarily connected with some diminution of their value.

WHEN, on the contrary, the wealth of any country increases, when the annual produce of

its labour becomes gradually greater and greater, C H A XI. a greater quantity of coin becomes necessary in order to circulate a greater quantity of commodities: and the people, as they can afford it, as they have more commodities to give for it, will naturally purchase a greater and a greater quantity of plate. The quantity of their coin will increase from necessity; the quantity of their plate from vanity and oftentation, or from the fame reason that the quantity of fine statues, pictures, and of every other luxury and curiofity, is likely to increase among them. But as statuaries and painters are not likely to be worse rewarded in times of wealth and prosperity, than in times of poverty and depression, so gold and filver are not likely to be worse paid for.

THE price of gold and filver, when the accidental discovery of more abundant mines does not keep it down, as it naturally rifes with the wealth of every country, fo, whatever be the state of the mines, it is at all times naturally higher in a rich than in a poor country. Gold and filver, like all other commodities, naturally feek the market where the best price is given for them, and the best price is commonly given for every thing in the country which can best afford it. Labour, it must be remembered, is the ultimate price which is paid for every thing, and in countries where labour is equally well rewarded, the money price of labour will be in proportion to that of the subsistence of the labourer. But gold and filver will naturally exchange for a greater quantity of subsistence in a rich than in a

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poor



HOOK poor country, in a country which abounds with

fublishence, than in one which is but indifferently fupplied with it. If the two countries are at a great distance, the difference may be very great; because though the metals naturally fly from the worse to the better market, yet it may be difficult to transport them in such quantities as to bring their price nearly to a level in both. If the countries are near, the difference will be fmaller, and may fometimes be fcarce perceptible; because in this case the transportation will be eafy. China is a much richer country than any part of Europe, and the difference between the price of subfistence in China and in Europe is very great. Rice in China is much cheaper than wheat is any-where in Europe. England is a much richer country than Scotland; but the difference between the money price of corn in those two countries is much fmaller, and is but just perceptible. In proportion to the quantity or measure, Scotch corn generally appears to be a good deal cheaper than English; but in proportion to its quality, it is certainly fornewhat dearer. Scotland receives almost every year very large supplies from England, and every commodity must commonly be fomewhat dearer in the country to which it is brought than in that from which it comes. English corn, therefore, must be dearer in Scotland than in England, and yet in proportion to its quality, or to the quantity and goodness of the flour or meal which can be made from it, it cannot commonly be fold higher there than the

- Scotch



Scotch corn which comes to market in competition C H A P. with it.

THE difference between the money price of labour in China and in Europe, is still greater than that between the money price of fubfiftence; because the real recompence of labour is higher in Europe than in China, the greater part of Europe being in an improving state, while China feems to be standing still. The money price of labour is lower in Scotland than in England, because the real recompence of labour is much lower; Scotland, though advancing to greater wealth, advances much more flowly than England. The frequency of emigration from Scotland, and the rarity of it from England, sufficiently prove that the demand for labour is very different in the two countries. The proportion between the real recompence of labour in different countries, it must be remembered, is naturally regulated, not by their actual wealth or poverty, but by their advancing, ftationary, or declining condition.

Gond and filver, as they are naturally of the greatest value among the richest, so they are naturally of the least value among the poorest nations. Among savages, the poorest of all nations, they are of scarce any value.

In great towns corn is always dearer than in remote parts of the country. This, however, is the effect, not of the real cheapness of silver, but of the real dearness of corn. It does not cost less labour to bring silver to the great town than to the remote parts of the country; but it costs a great deal more to bring corn.



OK In some very rich and commercial countries, fuch as Holland and the territory of Genoa, corn is dear for the fame reason that it is dear in great towns. They do not produce enough to maintain their inhabitants. They are rich in the induftry and skill of their artificers and manufacturers, in every fort of machinery which can facilitate and abridge labour; in shipping, and in all the other instruments and means of carriage and commerce: but they are poor in corn, which, as it must be brought to them from diftant countries, must, by an addition to its price, pay for the carriage from those countries. does not cost less labour to bring filver to Amsterdam than to Dantzick; but it costs a great deal more to bring corn. The real cost of silver must be nearly the same in both places; but that of corn must be very different. Diminish the real opulence either of Holland or of the territory of Genoa, while the number of their inhabitants remains the same: diminish their power of fupplying themselves from distant countries; and the price of corn, instead of finking with that diminution in the quantity of their filver, which must necessarily accompany this declension either as its cause or as its effect, will rise to the price of a famine. When we are in want of necessaries, we must part with all superfluities, of which the value, as it rifes in times of opulence and prosperity, so it sinks in times of poverty and diffrefs. It is otherwise with necessaries. Their real price, the quantity of labour which they can purchase or command, rises in times of poverty and

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and distress, and sinks in times of opulence and CHAP.

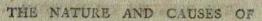
prosperity, which are always times of great abundance; for they could not otherwise be times of opulence and prosperity. Corn is a necessary, silver is only a superfluity.

Whatever, therefore, may have been the increase in the quantity of the precious metals, which, during the period between the middle of the fourteenth and that of the fixteenth century, arose from the increase of wealth and improvement, it could have no tendency to diminish their value either in Great Britain, or in any other part of Europe. If those who have collected the prices of things in ancient times, therefore, had, during this period, no reason to infer the diminution of the value of silver, from any observations which they had made upon the prices either of corn or of other commodities, they had still less reason to infer it from any supposed increase of wealth and improvement.

## SECOND PERIOD.

BUT how various foever may have been the opinions of the learned concerning the progress of the value of filver during the first period, they are unanimous concerning it during the second.

From about 1570 to about 1640, during a period of about seventy years, the variation in the proportion between the value of silver and that of corn, held a quite opposite course. Silver





a finaller quantity of labour than before; and corn rose in its norminal price, and instead of being commonly sold for about two ounces of silver the quarter, or about ten shillings of our present money, came to be sold for fix and eight ounces of silver the quarter, or about thirty and forty shillings of our present money.

THE discovery of the abundant mines of America, feems to have been the fole cause of this diminution in the value of filver in proportion to that of corn. It is accounted for accordingly in the fame manner by every body; and there never has been any dispute either about the fact, or about the cause of it. The greater part of Europe was, during this period, advancing in industry and improvement, and the demand for filver must consequently have been increasing, But the increase of the supply had, it feems, so far exceeded that of the demand, that the value of that metal funk confiderably. The discovery of the mines of America, it is to be observed, does not feem to have had any very fensible effect upon the prices of things in England till after 1570; though even the mines of Porofi had been discovered more than twenty years before.

FROM 1595 to 1620, both inclusive, the average price of the quarter of nine bushels of the best wheat at Windsor market, appears from the accounts of Eton College to have been 21. 15. 6d. %. From which sum, neglecting the fraction, and deducting a ninth, or 45. 7d. %.



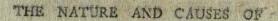
the price of the quarter of eight bushels comes comes to have been 11. 16 s. 10 d. \(\frac{2}{3}\). And from this sum, neglecting likewise the fraction, and deducting a ninth, or 4 s. 1 d. \(\frac{1}{3}\), for the difference between the price of the best wheat and that of the middle wheat, the price of the middle wheat comes out to have been about 11. 12 s. 8 d. \(\frac{8}{3}\), or about six ounces and one third of an ounce of silver.

FROM 1621 to 1636, both inclusive, the average price of the same measure of the best wheat at the same marker, appears, from the same accounts, to have been 21. 10 s.; from which, making the like deductions as in the foregoing case, the average price of the quarter of eight bushels of middle wheat comes out to have been 11. 19 s. 6 d. or about seven ounces and two-thirds of an ounce of silver.

# THIRD PERIOD.

BETWEEN 1630 and 1640, or about 1636, the effect of the discovery of the mines of America in reducing the value of filver, appears to have been completed, and the value of that metal seems never to have sunk lower in proportion to that of corn than it was about that time. It seems to have risen somewhat in the course of the present century, and it had probably begun to do so even some time before the end of the last.

From 1637 to 1700, both inclusive, being the fixty-four last years of the last century, the ave-





BOOK rage price of the quarter of nine bushels of the best wheat at Windsor market, appears, from the fame accounts, to have been 21. 115. od.; which is only 1 s. od. 4 dearer than it had been during the fixteen years before. But in the course of these fixty-four years there happened two events which must have produced a much greater fearcity of corn than what the course of the feafons would otherwife have occasioned, and which, therefore, without supposing any further reduction in the value of filver, will much more than account for this very finall enhancement of price.

The first of these events was the civil war, which, by discouraging tillage and interrupting commerce, must have raised the price of corn much above what the course of the seasons would otherwise have occasioned. It must have had this effect more or less at all the different markets in the kingdom, but particularly at those in the neighbourhood of London, which require to be supplied from the greatest distance. In 1648, accordingly, the price of the best wheat at Windfor market, appears, from the same accounts, to have been 41. 5 s. and in 1649 to have been 41. the quarter of nine bushels. The excess of those two years above 21. 10s. (the average price of the fixteen years preceding 1637) is 31. 5s.; which, divided among the fixty-four last years of the last century, will alone very nearly account for that small enhancement of price which feems to have taken place in them. These, however, though the highest, are by no

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means the only high prices which feem to have CHAP. been occasioned by the civil wars.

THE fecond event was the bounty upon the exportation of corn, granted in 1638. The bounty, it has been thought by many people, by encouraging tillage, may, in a long course of years, have occasioned a greater abundance, and confequently a greater cheapness of corn in the home-market, than what would otherwise have taken place there. How far the bounty could produce this effect at any time, I shall examine hereafter; I shall only observe at present, that between 1688 and 1700, it had not time to produce any fuch effect. During this short period its only effect must have been, by encouraging the exportation of the furplus produce of every year, and thereby hindering the abundance of one year from compensating the scarcity of another to raise the price in the home-market. The fcarcity which prevailed in England from 1693 to 1699, both inclusive, though no doubt principally owing to the badness of the seasons, and, therefore, extending through a confiderable part of Europe, must have been somewhat enhanced by the bounty. In 1699, accordingly, the further exportation of corn was prohibited for nine months.

THERE was a third event which occurred in the course of the same period, and which, though it could not occasion any scarcity of corn, nor, perhaps, any augmentation in the real quantity of silver which was usually paid for it, must necessarily have occasioned some augmentation in

# THE NATURE AND CAUSES OF

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% the nominal sum. This event was the great debasement of the filver coin, by clipping and wearing. This evil had begun in the reign of Charles II. and had gone on continually increafing till 1695; at which time, as we may learn from Mr. Lowndes, the current filver coin was, at an average, near five-and-twenty per cent. below its standard value. But the nominal sum which constitutes the market price of every commodity is necessarily regulated, not so much by the quantity of filver, which, according to the flandard, ought to be contained in it, as by that which, it is found by experience, actually is contained in it. This nominal fum, therefore, is necessarily higher when the coin is much debased by clipping and wearing, than when near to its flandard value.

In the course of the present century, the filver coin has not at any time been more below its standard weight than it is at present. But though very much defaced, its value has been kept up by that of the gold coin for which it is exchanged. For though before the late re-coinage, the gold coin was a good deal defaced too, it was lefs fo than the filver. In 1695, on the contrary, the value of the filver coin was not kept up by the gold coin; a guinea then commonly exchanging for thirty thillings of the worn and clipt filver. Before the late re-coinage of the gold, the price of filver bullion was feldom higher than five shillings and seven-pence an ounce, which is but five-pence above the mint price. But in 1695, the common price of filver bullion was fix shil-

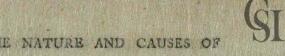
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lings and five-pence an ounce\*, which is fifteen- CHAP. pence above the mint price. Even before the late re-coinage of the gold, therefore, the coin, gold and filver together, when compared with filver bullion, was not supposed to be more than eight per cent. below its standard value. In 1695, on the contrary, it had been supposed to be near five-and-twenty per cent, below that value. But in the beginning of the present century, that is, immediately after the great recoinage in King William's time, the greater part of the current filver coin must have been still nearer to its flandard weight than it is at present. In the course of the present century too there has been no great public calamity, such as the civil war, which could either discourage tillage, or interrupt the interior commerce of the country. And though the bounty which has taken place through the greater part of this century, must always raife the price of corn fornewhat higher than it otherwise would be in the actual state of tillage; yet as, in the course of this century, the bounty has had full time to produce all the good effects commonly imputed to it, to encourage tillage, and thereby to increase the quantity of corn in the home market, it may, upon the principles of a fystem which I shall explain and examine hereafter, be supposed to have done something to lower the price of that commodity the one way, as well as to raise it the other. It is by many people supposed to have done more.

\* Lowndes's Effay on the Silver Coin, p. 68.



BOOK In the fixty-four years of the present century, - accordingly, the average price of the quarter of nine bushels of the best wheat at Windsor - market, appears, by the accounts of Eton College, to have been 21. os. 6d. 12, which is about ten shillings and fixpence, or more than five-and-twenty per cent. cheaper than it had been during the fixty-four last years of the last century; and about nine shillings and sixpence cheaper than it had been during the fixteen years preceding 1636, when the discovery of the abundant mines of America may be supposed to have produced its full effect; and about one shilling cheaper than it had been in the twentyfix years preceding 1620, before that discovery can well be supposed to have produced its full effect. According to this account, the average price of middle wheat, during these fixty-four first years of the present century, comes out to have been about thirty-two shillings the quarter of eight bushels.

THE value of filver, therefore, feems to have rifen fomewhat in proportion to that of corn during the course of the present century, and it had probably begun to do fo even fome time before the end of the last.

In 1687, the price of the quarter of nine bushels of the best wheat at Windfor market was 11. 55. 2d. the lowest price at which it had ever been from 1595.

In 1688, Mr. Gregory King, a man famous for his knowledge in matters of this kind, estimated the average price of wheat in years of moderate





moderate plenty to be to the grower 3s. 6d. the CHAP. bushel, or eight-and-twenty shillings the quarter. The grower's price I understand to be the fame with what is fometimes called the contract price, or the price at which a farmer contracts for a certain number of years to deliver a certain quantity of corn to a dealer. As a contract of this kind faves the farmer the expence and trouble of marketing, the contract price is generally lower than what is supposed to be the average market price. Mr. King had judged eightand-twenty shillings the quarter to be at that time the ordinary contract price in years of moderate plenty. Before the fcarcity occasioned by the late extraordinary course of bad seasons, it was, I have been affured, the ordinary contract price in all common years.

In 1688 was granted the parliamentary bounty upon the exportation of corn. The country gentlemen, who then composed a still greater proportion of the legislature than they do at prefent, had felt that the money price of corn was falling. The bounty was an expedient to raife it artificially to the high price at which it had frequently been fold in the times of Charles I. and II. It was to take place, therefore, till wheat was fo high as forty-eight shillings the quarter; that is, twenty shillings, or 5ths dearer than Mr. King had in that very year estimated the grower's price to be in times of moderate plenty. If his calculations deserve any part of the reputation which they have obtained very univerfally, eight-and-forty shillings the quarter

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## THE NATURE AND CAUSES OF



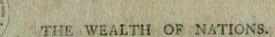
B O O K was a price which, without fome fuch expedient as the bounty, could not at that time be expected, except in years of extraordinary fearcity. But the government of King William was not then fully fettled. It was in no condition to refule any thing to the country gentlemen, from whom it was at that very time foliciting the first establishment of the annual land-tax.

The value of filver, therefore, in proportion to that of corn, had probably rifen somewhat before the end of the last century; and it seems to have continued to do so during the course of the greater part of the present; though the necessary operation of the bounty must have hindered that rife from being so sensible as it otherwise would have been in the actual state of tillage.

In plentiful years the bounty, by occasioning an extraordinary exportation, necessarily raises the price of corn above what it otherwise would be in those years. To encourage tillage, by keeping up the price of corn even in the most plentiful years, was the avowed end of the institution.

In years of great scarcity, indeed, the bounty has generally been suspended. It must, however, have had some effect upon the prices of many of those years. By the extraordinary expertation which it occasions in years of plenty, it must frequently hinder the plenty of one year from compensating the scarcity of another.

Both in years of plenty and in years of fearcity, therefore, the bounty raifes the price of corn above what it naturally would be in the





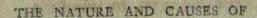
first years of the present century, therefore, the average price has been lower than during the sixty four last years of the last century, it must, in the same state of tillage, have been much more so, had it not been for this operation of

the bounty.

Bur without the bounty, it may be faid, the state of tillage would not have been the same. What may have been the effects of this institution upon the agriculture of the country, I shall endeavour to explain hereafter, when I come to treat particularly of bounties. I shall only obferve at prefent, that this rife in the value of filver, in proportion to that of corn, has not been peculiar to England. It has been observed to have taken place in France during the same period, and nearly in the fame proportion too, by three very faithful, diligent, and laborious collectors of the prices of corn, Mr. Duprè de St. Maur, Mr. Messance, and the author of the Estay on the police of grain. But in France, till 1764, the exportation of grain was by law prohibited; and it is fomewhat difficult to fuppose, that nearly the same diminution of price which took place in one country, notwithstanding this prohibition, should in another be owing to the extraordinary encouragement given to exportation.

It would be more proper, perhaps, to consider this variation in the average money price of corn as the effect rather of some gradual rise in the real value of silver in the European market,

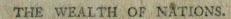
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8 0 0 K than of any fall in the real average value of corn. Corn, it has already been observed, is at distant periods of time a more accurate measure of value than either filver, or perhaps any other commodity. When, after the discovery of the abundant mines of America, corn rose to three and four times its former money price, this change was univerfally ascribed, not to any rise in the real value of corn, but to a fall in the real value of filver. If during the fixty-four first years of the prefent century, therefore, the average money price of corn has fallen fomewhat below what it had been during the greater part of the last century, we should in the same manner impute this change, not to any fall in the real value of corn. but to some rise in the real value of filver in the European market.

THE high price of corn during these ten or twelve years past, indeed, has occasioned a suspicion that the real value of filver still continues to fall in the European market. This high price of corn, however, feems evidently to have been the effect of the extraordinary unfavourableness of the feafons, and ought therefore to be regarded, not as a permanent, but as a transitory and occafional event. The feafons for thefe ten or twelve years past have been unfavourable through the greater part of Europe; and the disorders of Poland have very much increased the scarcity in all those countries, which, in dear years, used to be supplied from that market. So long a course of bad seasons, though not a very common event, is by no means a fingular one; and whoever





has enquired much into the history of the prices C HAP. of corn in former times, will be at no loss to recollect feveral other examples of the same kind. Ten years of extraordinary fearcity, befides, are not more wonderful than ten years of extraordinary plenty. The low price of corn from 1741 to 1750, both inclusive, may very well be fer in opposition to its high price during these last eight or ten years. From 1741 to 1750, the average price of the quarter of nine bulhels of the best wheat at Windsor market, it appears from the accounts of Eton College, was only 11. 13s. 9d. 4, which is nearly 6s. 3d. below the average price of the fixty-four first years of the present century. The average price of the quarter of eight bushels of middle wheat, comes out, according to this account, to have been during thefe ten years, only 11.6s. 8d.

Between 1741 and 1750, however, the bounty must have hindered the price of corn from falling so low in the home market as it naturally would have done. During these ten years the quantity of all forts of grain exported, it appears from the custom-house books, amounted to no less than eight millions twenty-nine thousand one hundred and fifty-six quarters one bushel. The bounty paid for this amounted to 1,514,9621. 175. 4d. ½. In 1749 accordingly, Mr. Pelham, at that time prime minister, observed to the House of Commons, that for the three years preceding, a very extraordinary sum had been paid as bounty for the exportation of corn.

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and in the following year he might have had still better. In that single year the bounty paid amounted to no less than 324,1761. 10s. 6d.\*

It is unnecessary to observe how much this forced exportation must have raised the price of corn above what it otherwise would have been in the home market.

AT the end of the accounts annexed to this chapter the reader will find the particular account of those ten years separated from the rest, He will find there too the particular account of the preceding ten years, of which the average is likewife below, though not fo much below, the general average of the fixty-four first years of the century. The year 1740, however, was a year of extraordinary scarcity. These twenty years preceding 1750, may very well be fet in opposition to the twenty preceding 1770. As the former were a good deal below the general average of the century, notwithstanding the intervention of one or two dear years; fo the latter have been a good deal above it, notwithstanding the intervention of one or two cheap ones, of 1759, for example, If the former have not been as much below the general average, as the latter have been above it, we ought probably to impute it to the bounty. The change has evidently been too sudden to be ascribed to any change in the value of filver, which is always flow and gradual. The fuddenness of the effect can be

<sup>\*</sup> See Tracts on the Corn Trade; Tract 3d.





accounted for only by a cause which can operate CHAP.

THE money price of labour in Great Britain has, indeed, rifen during the course of the present century. This, however, feems to be the effect, not fo much of any diminution in the value of filver in the European market, as of an increase in the demand for labour in Great Britain, arifing from the great, and almost universal prosperity of the country. In France, a country not altogether fo prosperous, the money price of labour has, fince the middle of the last century, been observed to fink gradually with the average money price of corn. Both in the last century and in the prefent, the day-wages of common labour are there faid to have been pretty uniformly about the twentieth part of the average price of the feptier of wheat, a measure which contains a little more than four Winchefter bushels. In Great Britain the real recompence of labour, it has already been shown, the real quantities of the necessaries and conveniencies of life which are given to the labourer, has inereased considerably during the course of the present century. The rife in its money price feems to have been the effect, not of any diminution of the value of filver in the general market of Europe, but of a rife in the real price of labour in the particular market of Great Britain, owing to the peculiarly happy circumstances of the country.

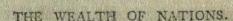
For some time after the first discovery of America, silver would continue to sell at its former,



BOOK former, or not much below its former price. The profits of mining would for some time be very great, and much above their natural rate. Those who imported that metal into Europe, however, would foon find that the whole annual importation could not be disposed of at this high price. Silver would gradually exchange for a smaller and a smaller quantity of goods. Its price would fink gradually lower and lower till it fell to its natural price; or to what was just fufficient to pay, according to their natural rates, the wages of the labour, the profits of the stock, and the rent of the land, which must be paid in order to bring it from the mine to the market. In the greater part of the filver mines of Peru, the tax of the king of Spain, amounting to a tenth of the gross produce, eats up, it has already been observed, the whole rent of the land. This tax was originally a half; it foon afterwards fell to a third, then to a fifth. and at last to a tenth, at which rate it still continues. In the greater part of the filver mines of Peru, this, it feems, is all that remains, after replacing the stock of the undertaker of the work, together with its ordinary profits; and it feems to be univerfally acknowledged that thefe profits, which were once very high, are now as low as they can well be, confiftently with carrying on their works.

THE tax of the king of Spain was reduced to a fifth of the registered filver in 1504\*, one-

<sup>·</sup> Solorzano, vol. ii.

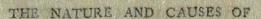




and-forty years before 1545, the date of the dif- CHAP covery of the mines of Potosi. In the course of ninety years, or before 1636, these mines, the most fertile in all America, had time sufficient to produce their sull essect, or to reduce the value of silver in the European market as low as it could well fall, while it continued to pay this tax to the king of Spain. Ninety years is time sufficient to reduce any commodity, of which there is no monopoly, to its natural price, or to the lowest price at which, while it pays a particular tax, it can continue to be sold for any considerable time together.

THE price of filver in the European market might perhaps have fallen still lower, and it might have become necessary either to reduce the tax upon it, not only to one tenth, as in 1736, but to one twentieth, in the fame manner as that upon gold, or to give up working the greater part of the American mines which are now wrought. The gradual increase of the demand for filver, or the gradual enlargement of the market for the produce of the filver mines of America, is probably the cause which has prevented this from happening, and which has not only kept up the value of filver in the European market, but has perhaps even raifed it somewhat higher than it was about the middle of the last century.

SINCE the first discovery of America, the market for the produce of its silver mines has been growing gradually more and more extensive.





BOOK FIRST, The market of Europe has become gradually more and more extensive. Since the discovery of America, the greater part of Europe has been much improved. England, Holland, France and Germany; even Sweden, Denmark, and Ruffia, have all advanced confiderably both in agriculture and in manufactures. Italy feems not to have gone backwards. The fall of Italy preceded the conquest of Peru. Since that time it feems rather to have recovered a little. Spain and Portugal, indeed, are supposed to have gone backwards. Portugal, however, is but a very small part of Europe, and the declention of Spain is not, perhaps, fo great as is commonly imagined. In the beginning of the fixteenth century, Spain was a very poor country, even in comparison with France, which has been so much improved fince that time. It was the well-known remark of the Emperor Charles V. who had travelled fo frequently through both countries, that every thing abounded in France, but that every thing was wanting in Spain. The increasing produce of the agriculture and manufactures of Europe must necessarily have required a gradual increase in the quantity of filver coin to circulate it; and the increasing number of wealthy individuals must have required the like increase in the quantity of their plate and other ornaments of filver.

SECONDLY, America is itself a new marker for the produce of its own filver mines; and as its advances in agriculture, industry, and population, are much more rapid than those of the most thriving



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thriving countries in Europe, its demand must CHAP. increase much more rapidly. The English colonies are altogether a new market, which partly for coin, and partly for plate, requires a continually augmenting supply of filver through a great continent where there never was any demand before. The greater part too of the Spanish and Portuguese colonies are altogether new markets. New Granada, the Yucatan, Paraguay, and the Brazils, were, before discovered by the Europeans, inhabited by favage nations, who had neither arts nor agriculture. A considerable degree of both has now been introduced into all of them. Even Mexico and Peru, though they cannot be confidered as altogether new markets, are certainly much more extenfive ones than they ever were before. After all the wonderful tales which have been published concerning the splendid state of those countries in ancient times, whoever reads, with any degree of fober judgment, the history of their first discovery and conquest, will evidently discern that, in arts, agriculture, and commerce, their inhabitants were much more ignorant than the Tartars of the Ukraine are at present. Even the Peruvians, the more civilized nation of the two, though they made use of gold and silver as ornaments, had no coined money of any kind. Their whole commerce was carried on by barter, and there was accordingly scarce any division of labour among them. Those who cultivated the ground were obliged to build their own houses, to make their own houshold furniture, their own clothes,





BOOK clothes, shoes, and instruments of agriculture. The few artificers among them are faid to have been all maintained by the fovereign, the nobles, and the priefts, and were probably their fervants or flaves. All the ancient arts of Mexico and Peru have never furnished one single manufacture to Europe. The Spanish armies, though they scarce ever exceeded five hundred men, and frequently did not amount to half that number, found almost every-where great difficulty in procuring fublishence. The famines which they are faid to have occasioned almost wherever they went, in countries too which at the same time are represented as very populous and well-cultivated, fufficiently demonstrate that the story of this populousness and high cultivation is in a great mealure fabulous. The Spanish colonies are under a government in many respects less favourable to agriculture, improvement, and population, than that of the English colonies. They feem, however, to be advancing in all these much more rapidly than any country in Europe. In a fertile foil and happy climate, the great abundance and cheapness of land, a circumstance common to all new colonies, is, it feems, fo great an advantage as to compensate many defects in civil government. Frezier, who visited Peru in 1713, represents Lima as containing between twenty-five and twenty-eight thousand inhabitants. Ulloa, who resided in the fame country between 1740 and 1746, reprefents it as containing more than fifty thousand. The difference in their accounts of the populoufnels 4



ness of several other principal towns in Chili and CHAP. Peru is nearly the same; and as there seems to be no reason to doubt of the good information of either, it marks an increase which is scarce inserior to that of the English colonies. America, therefore, is a new market for the produce of its own solver mines, of which the demand must increase much more rapidly than that of the most thriving country in Europe.

THIRDLY, The East Indies is another market for the produce of the filver mines of America, and a market which, from the time of the first discovery of those mines, has been continually taking off a greater and a greater quantity of filver. Since that time, the direct trade between America and the East Indies, which is carried on by means of the Acapulco ships, has been continually augmenting, and the indirect intercourse by the way of Europe has been augmenting in a ftill greater proportion. During the fixteenth century, the Portuguese were the only European nation who carried on any regular trade to the East Indies. In the last years of that century the Dutch began to encroach upon this monopoly, and in a few years expelled them from their principal fettlements in India, During the greater part of the last century, those two nations divided the most considerable part of the East India trade between them; the trade of the Dutch continually augmenting in a still greater proportion than that of the Portuguese declined. The English and French carried on some trade with



# . THE NATURE AND CAUSES OF

BOOK with India in the last century, but it has been greatly augmented in the course of the prefent. The East India trade of the Swedes and Danes began in the course of the present century. Even the Muscovites now trade regularly with China by a fort of caravans which go over land through Siberia and Tartary to Pekin. The East India trade of all these nations, if we except that of the French, which the last war had well nigh annihilated, has been almost continually augmenting. The increasing consumption of East India goods in Europe, is, it feems, so great, as to afford a gradual increase of employment to them all. Tea, for example, was a drug very little used in Europe before the middle of the last century. At present the value of the tea annually imported by the English East India Company, for the use of their own countrymen, mounts to more than a million and a half a ar; and even this is not enough; a great deal more being constantly smuggled into the country from the ports of Holland, from Gottenburg in Sweden, and from the coast of France too, as long as the French East-India Company was in prosperity. The consumption of the porcelain of China, of the spiceries of the Moluccas, of the piece goods of Bengal, and of innumerable other articles, has increased very nearly in a like proportion. The tonnage accordingly of all the European shipping employed in the East India trade, at any one time during the last century, was not, perhaps, much greater than

that of the English East India Company before CHAP.
the late reduction of their shipping.

BUT in the East Indies, particularly in China and Indostan, the value of the precious metals, when the Europeans first began to trade to those countries, was much higher than in Europe; and it still continues to be fo. In rice countries, which generally yield two, fometimes three crops in the year, each of them more plentiful than any common crop of corn, the abundance of food must be much greater than in any corn country of equal extent. Such countries are accordingly much more populous. In them too the rich, having a greater super-abundance of food to dispose of beyond what they themselves can confume, have the means of purchaling a much greater quantity of the labour of other people. The retinue of a grandee in China or Indostan accordingly is, by all accounts, much more numerous and fplendid than that of the richest subjects in Europe. The same superabundance of food, of which they have the difpolal, enables them to give a greater quantity of it for all those fingular and rare productions which nature furnishes but in very small quantities; fuch as the precious metals and the precious stones, the great objects of the competition of the rich. Though the mines, therefore, which fupplied the Indian market had been as abundant as those which supplied the European, fuch commodities would naturally exchange for a greater quantity of food in India than in Europe. But the mines which fupplied the Indian market VOL. I.





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BOOK market with the precious metals feem to have been a good deal less abundant, and those which supplied it with the precious stones a good deal more fo, than the mines which supplied the European. The precious metals, therefore, would naturally exchange in India for fomewhat a greater quantity of the precious stones, and for a much greater quantity of food than in Europe. The money price of diamonds, the greatest of all fuperfluities, would be formewhat lower, and that of food, the first of all necessaries, a great deal lower in the one country than in the other. But the real price of labour, the real quantity of the necessaries of life which is given to the labourer, it has already been observed, is lower both in China and Indoftan, the two great markets of India, than it is through the greater part of Europe. The wages of the labourer will there purchase a smaller quantity of food; and as the money price of food is much lower in India than in Europe, the money price of labour is there lower upon a double account; upon account both of the small quantity of food which it will purchase, and of the low price of that food. But in countries of equal art and industry, the money price of the greater part of manufactures will be in proportion to the money price of labour; and in manufacturing art and industry, China and Indostan, though inferior, seem not to be much inferior to any part of Europe. The money price of the greater part of manufactures, therefore, will naturally be much lower in those great empires than it is any-where in Europe. Through



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the greater part of Europe too the expence of CHAP. land-carriage increases very much both the real and nominal price of most manufactures. It costs more labour, and therefore more money, to bring first the materials, and afterwards the complete manufacture to market. In China and Indoftan the extent and variety of inland navigations fave the greater part of this labour, and confequently of this money, and thereby reduce still lower both the real and the nominal price of the greater part of their manufactures. Upon all these accounts, the precious metals are a commodity which it always has been, and still continues to be, extremely advantageous to carry from Europe to India. There is scarce any commodity which brings a better price there; or which, in proportion to the quantity of labour and commodities which it costs in Europe, will purchase or command a greater quantity of labour and commodities in India. It is more advantageous too to carry filver thither than gold; because in China, and the greater part of the other markets of India, the proportion between fine filver and fine gold is but as ten, or at most as twelve to one; whereas in Europe it is as fourteen or fifteen to one. In China, and the greater part of the other markets of India, ten, or at most twelve, ounces of filver, will purchase an ounce of gold: in Europe it requires from fourteen to fifteen ounces. In the cargoes, therefore, of the greater part of European ships which fail to India, filver has generally been one of the most valuable articles. It is the most valuable article in

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BOOK the Acapulco ships which sail to Manilla. The filver of the new continent seems in this manner to be one of the principal commodities by which the commerce between the two extremities of the old one is carried on, and it is by means of it, in a great measure, that those distant parts of the world are connected with one another.

> In order to supply so very widely extended a market, the quantity of filver annually brought from the mines must not only be fufficient to fupport that continual increase both of coin and of place which is required in all thriving countries; but to repair that continual waste and confumption of filver which takes place in all countries where that metal is used.

> THE continual confumption of the precious metals in coin by wearing, and in plate both by wearing and cleaning, is very fenfible; and in commodities of which the use is so very widely extended, would alone require a very great annual fupply. The confumption of those metals in some particular manufactures, though it may not perhaps be greater upon the whole than this gradual confumption, is, however, much more fensible, as it is much more rapid. In the manufactures of Birmingham alone, the quantity of gold and filver annually employed in gilding and plating, and thereby disqualified from ever afterwards appearing in the shape of those metals, is faid to amount to more than fifty thousand pounds sterling. We may from thence form fome notion how great must be the annual confumption in all the different parts of the world,





either in manufactures of the fame kind with CHAP. those of Birmingham, or in laces, embroideries, gold and silver stuffs, the gilding of books, furniture, &c. A considerable quantity too must be annually lost in transporting those metals from one place to another both by sea and by land. In the greater part of the governments of Asia, besides, the almost universal custom of concealing treasures in the bowels of the earth, of which the knowledge frequently dies with the person who makes the concealment, must occasion the loss of a still greater quantity.

THE quantity of gold and filver imported at both Cadiz and Lifbon (including not only what comes under register, but what may be supposed to be smuggled) amounts, according to the best accounts, to about six millions sterling a year.

According to Mr. Meggens\* the annual importation of the precious metals into Spain, at an average of fix years; viz. from 1748 to 1753, both inclusive; and into Portugal, at an average of seven years; viz. from 1747 to 1753, both inclusive; amounted in filver to 1,101,107 pounds weight; and in gold to 49,940 pounds weight. The filver, at fixty-two shillings the pound Troy, amounts to 3,413,431 l. 10 s. sterling. The gold, at forty-four guineas and a

<sup>\*</sup> Possscript to the Universal Merchant, p. 15 and 16. This Possscript was not printed till 1756, three years after the publication of the book, which has never had a second edition. The Possscript is, therefore, to be found in few copies: it corrects several errors in the book.



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flerling. Both together amount to 5,746,878 l. 4s. flerling. The account of what was imported under register, he assures us, is exact. He gives us the detail of the particular places from which the gold and silver were brought, and of the particular quantity of each metal, which, according to the register, each of them afforded. He makes an allowance too for the quantity of each metal which he supposes may have been smuggled. The great experience of this judicious merchant renders his opinion of considerable weight.

According to the eloquent and, formetimes, well informed Author of the Philosophical and Political History of the Establishment of the Europeans in the two Indies, the annual importation of registered gold and filver into Spain, at an average of eleven years; viz. from 1754 to 1764, both inclusive; amounted to 13,984,185% piastres of ten reals. On account of what may have been fmuggled, however, the whole annual importation, he supposes, may have amounted to seventeen millions of piastres; which, at 43. 6d. the piastre, is equal to 3,825,000 %. flerling. He gives the detail too of the particular places from which the gold and filver were brought, and of the particular quantities of each metal which, according to the register, each of them afforded. He informs us too, that if we were to judge of the quantity of gold annually imported from the Brazils into Lisbon by the amount of the tax paid to the





king of Portugal, which it feems is one-fifth of CHAP, the standard metal, we might value it at eighteen millions of cruzadoes, or forty-five millions of French livres, equal to about two millions sterling. On account of what may have been smuggled, however, we may fafely, he says, add to this sum an eighth more, or 250,000 l. sterling, so that the whole will amount to 2,250,000 l. sterling. According to this account, therefore, the whole annual importation of the precious metals into both Spain and Portugal, amounts to about 6,075,000 l. sterling.

SEVERAL other very well authenticated, though manuscript, accounts, I have been affured, agree, in making this whole annual importation amount at an average to about fix millions sterling; sometimes a little more, sometimes a little less.

The annual importation of the precious metals into Cadiz and Lifbon, indeed, is not equal to the whole annual produce of the mines of America. Some part is fent annually by the Acapulco ships to Manilla; some part is employed in the contraband trade which the Spanish colonies carry on with those of other European nations; and fome part, no doubt, remains in the country. The mines of America, besides, are by no means the only gold and filver mines in the world. They are, however, by far the most The produce of all the other mines which are known, is infignificant, it is acknowledged, in comparison with theirs; and the far greater part of their produce, it is likewise acknowledged, is annually imported into Cadiz

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ham alone, at the rate of fifty thousand pounds a year, is equal to the hundred and twentieth part of this annual importation at the rate of fix millions a year. The whole annual consumption of gold and silver, therefore, in all the different countries of the world where those metals are used, may perhaps be nearly equal to the whole annual produce. The remainder may be no more than sufficient to supply the increasing demand of all thriving countries. It may even have fallen so far short of this demand as somewhat to raise the price of those metals in the European market.

THE quantity of brass and iron annually brought from the mine to the market is out of all proportion greater than that of gold and filver. We do not, however, upon this account, imagine that those coarse metals are likely to multiply beyond the demand, or to become gradually cheaper and cheaper. Why should we imagine that the precious metals are likely to do so? The coarse metals, indeed, though harder, are put to much harder uses, and, as they are of less value, less care is employed in their preservation. The precious metals, however, are not necessarily immortal any more than they, but are liable too to be lost, wasted, and consumed in a great variety of ways.

THE price of all metals, though liable to flow and gradual variations, varies less from year to year than that of almost any other part of the rude produce of land; and the price of the pre-

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cious metals is even less liable to fudden vari- CHAP. ations than that of the coarse ones. The durablenels of metals is the foundation of this extraordinary fleadiness of price. The corn which was brought to market last year, will be all or almost all confumed long before the end of this year. But fome part of the iron which was brought from the mine two or three hundred years ago, may be still in use, and perhaps some part of the gold which was brought from it two or three thousand years ago. The different masses of corn which in different years must supply the consumption of the world, will always be nearly in proportion to the respective produce of those different years. But the proportion between the different maffes of iron which may be in use in two different years, will be very little affected by any accidental difference in the produce of the iron mines of those two years; and the proportion between the masses of gold will be still less affected by any such difference in the produce of the gold mines. Though the produce of the greater part of metallic mines, therefore, varies, perhaps, still more from year to year than that of the greater part of corn-fields, those variations have not the same effect upon the price of the one species of commodities, as upon that of the other.



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Variations in the Proportion between the respective Values of Gold and Silver.

REFORE the discovery of the mines of America, the value of fine gold to fine filver was regulated in the different mints of Europe, between the proportion of one to ten and one to twelve; that is, an ounce of fine gold was fuppoled to be worth from ten to twelve ounces of fine filver. About the middle of the last century it came to be regulated, between the proportions of one to fourteen and one to fifteen; that is, an ounce of fine gold came to be supposed worth between fourteen and fifteen ounces of fine filver. Gold rose in its nominal value, or in the quantity of filver which was given for it. Both metals funk in their real value, or in the quantity of labour which they could purchase; but filver funk more than gold. Though both the gold and filver mines of America exceeded in fertility all those which had ever been known before, the fertility of the filver mines had, it feems, been proportionably still greater than that of the gold

THE great quantities of filver carried annually from Europe to India, have, in some of the English settlements, gradually reduced the value of that metal in proportion to gold. In the mint of Calcutta, an ounce of fine gold is supposed to be worth fisteen ounces of fine filver, in the same manner as in Europe. It is in the mint, perhaps, rated too high for the value which it bears in the marker



market of Bengal. In China, the proportion of CHAP. gold to filver still continues as one to ten, or one to twelve. In Japan, it is faid to be as one to eight.

The proportion between the quantities of gold and filver annually imported into Europe, according to Mr. Meggens's account, is as one to twenty-two nearly; that is, for one ounce of gold there are imported a little more than twenty-two ounces of filver. The great quantity of filver fent annually to the East Indies, reduces, he supposes, the quantities of those metals which remain in Europe, to the proportion of one to four-teen or fisteen, the proportion of their values. The proportion between their values, he seems to think, must necessarily be the same as that between their quantities, and would therefore be as one to twenty-two, were it not for this greater exportation of filver.

But the ordinary proportion between the refpective values of two commodities is not necessarily the same as that between the quantities of them which are commonly in the market. The price of an ox, reckoned at ten guineas, is about threescore times the price of a lamb, reckoned at 3 s. 6 d. It would be absurd, however, to infers from thence, that there are commonly in the market threescore lambs for one ox: and it would be just as absurd to infer, because an ounce of gold will commonly purchase from sources of silver, that there are commonly in the market only sources or silver for one ounce of gold.

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BOOK THE quantity of filver commonly in the marker, it is probable, is much greater in propertion to that of gold, than the value of a certain quantity of gold is to that of an equal quantity of filver. The whole quantity of a cheap commodity brought to market, is commonly not only greater, but of greater value, than the whole quantity of a dear one. The whole quantity of bread annually brought to market is not only greater, but of greater value than the whole quantity of burcher's-meat; the whole quantity of butcher's meat, than the whole quantity of poultry; and the whole quantity of poultry, than the whole quantity of wild fowl. There are fo many more purchasers for the cheap than for the dear commodity, that, not only a greater quantity of it, but a greater value, can commonly be disposed of. The whole quantity, therefore, of the cheap commodity must commonly be greater in proportion to the whole quantity of the dear one, than the value of a certain quantity of the dear one, is to the value of an equal quantity of the cheap one. When we compare the precious metals with one another, filver is a cheap, and gold a dear commodity. We ought naturally to expect, therefore, that there should always be in the market, not only a greater quantity, but a greater value of filver than of gold. Let any man, who has a little of both, compare his own filver with his gold plate, and he will probably find, that, not only the quantity, but the value of the former greatly exceeds that of the latter. Many people, besides,

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have a good deal of filver who have no gold C H plate, which, even with those who have it, is generally confined to watch-cases, shuff-boxes, and fuch like trinkets, of which the whole amount is feldom of great value. In the British coin, indeed, the value of the gold preponderates greatly, but it is not fo in that of all countries. In the coin of some countries the value of the two metals is nearly equal. In the Scotch coin, before the union with England, the gold preponderated very little, though it did fornewhat \*, as it appears by the accounts of the mint. In the coin of many countries the filver preponderates. In France, the largest sums are commonly paid in that metal, and it is there difficult to get more gold than what is necessary to carry about in your pocket. The fuperior value, however, of the filver plate above that of the gold, which takes place in all countries, will much more than compensate the preponderancy of the gold coin above the filver, which takes place only in some countries.

THOUGH, in one sense of the word, silver always has been, and probably always will be, much cheaper than gold; yet, in another sense, gold may, perhaps, in the present state of the Spanish market, be said to be somewhat cheaper than silver. A commodity may be said to be dear or cheap, not only according to the absolute greatness and smallness of its usual price, but

See Ruddiman's Preface to Anderson's Diplomata, &c. Scotiz.