## THE WRITINGS

OF

# WILLIAM PATERSON,

OF DUMFRIESHIRE, AND A CITIZEN OF LONDON;

## FOUNDER OF THE BANK OF ENGLAND.

AND OF THE

DARIEN COLONY.

### EDITED BY SAXE BANNISTER, M.A.,

OF QUEEN'S COLLEGE, OXFORD,

With Biographical Notices, Fac-similes, and Portrait.

#### SECOND EDITION .-- IN THREE VOLUMES.

#### VOL. III.

#### LONDON:

JUDD & GLASS, NEW BRIDGE STREET,
AND GRAYS INN ROAD.

1859.

<sup>&</sup>quot;Paterson has a prodigious genius."—J. Stewart, Edinb. 1700. The Carstares Correspondence (p. 436).

<sup>&</sup>quot;As a piece of finance, Paterson's scheme for the redemption of the National Debt seems faultless."—*Economist*, 23rd October, 1858.

A very sensible pamphlet on the importance of a well-constituted Office of Andit to superintend the Public Accounts, and a masterly Treatise on the Restoration of the Coinage, are, with apparent probability, assigned to Paterson."—*Ibid.* 

## TO THE MEMORY OF MY DECEASED BROTHER,

## JOHN WILLIAM BANNISTER,

Once a Lieutenant of the Loyal Haby, and Chief Justice of Sierra Leone,

THIS VOLUME OF PATERSON'S WORKS IS DEDICATED IN SORROW AND IN HOPE.

A daring and skilful seaman, and an upright Colonial Judge, he sacrificed his life to the climate of West Africa.

We both paid the debt all men owe to their country; and none need despair who fail her not. My lost brother was sacrificed from wants which Paterson well declared to be fatal to enterprise, in private and public life; and gross official injustice to the Editor aggravated that urgent need. In such a case William Paterson's ultimate success, like his admirable life, offers an example to be clung to. After a contest of twenty years, he prevailed against his opponents, by the generosity of our first Sovereign of the House of Hanover; without, then, pretending to his pre-eminent merits, but not without titles of well-deserving, I may appeal with confidence to a gracious Queen of that Illustrious House; whose Ministers, undeceived, will one day honestly advise Her Majesty to do right.

SAXE BANNISTER.

## CONTENTS OF VOL. III.

Dedication to the	Mem	ory o	f my	decea	ised I	Broth	er	
Paterson on the Union	of 17	06	•	•				1
Paterson's Public Libra	ry of	Trade	e and	Fina	nce			47
Paterson's Writings		•	•					75
Paterson and the Bank	of Er	ngland	1, 169	)4			•	79
Paterson and the National	onal I	Debt,	1701	and	1717			94
Paterson and the Darie		lony, &c.		<del></del> 17	00			100
The Portrait a	and F	ACSIM	ILES					103
Appendix and								201

INDEX.

#### NOTICE.

ONE HUNDRED COPIES of the First Edition of this Work were distributed without the Compiler's assent, under circumstances not worth detailing; but the form of this Second Edition requires explanation. It gives omissions, and corrects errors in the First Edition.

Till the compiler found the *Darien* MS. (p. 97 below), in the British Museum, the variety and the extent of Paterson's writings were unknown. Some of them had been preserved in public and private libraries, and two or three eminent scholars had a strong opinion of his "extraordinary" talents. The compiler is acquainted with two of such eminent individuals, and has benefited by their opinion.

The great value of Paterson's financial works is settled by the judgment of the *Economist* (23rd October, 1858), that his calculations for the redemption of the national debt "seem faultless;" and that it would have been good for us, if his plan for that redemption had been followed out.

Dr. Adam Smith states, that he found the old English authors on finance and trade, admirable; and the French political economists of the last century held the same opinion. Hence, in about 1760, 'The Foulis,' of Glasgow, republished several of those old works; and Lord Overstone has recently republished others.

These deliberate judgments in favour of the founders and guides of our financial and commercial policy in the 16th, 17th, and early part of the 18th centuries, are not to be loosely rejected.

Small weight then must be allowed to the shallow, "learned Theban," who dogmatically asserts, that these "Old Tracts are mere

lumber;" and that especially Paterson's writings are unworthy of reprint. (Athenæum, 6th Feb.) and 18th Sept., 1858, article of Paterson, called by this Kenrick of critics, twice in one page, a "bore."

All the subjects perseveringly, and often successfully discussed be Paterson during the last thirty years of his honoured life, are to this day, of vital interest, not only to us, but to the whole wide world wherever British intelligence and policy have influence. Great matter treated of by him are still, in many points, unsettled—as in regard t social progress, commercial and criminal law, administrative reform and colonization; with a proper union of our growing empire, under compact, intelligent system—a thing which will be heard of after the coming Reform Bill shall be passed.

Above all, his plan of auditing the public accounts, eulogized by the *Economist*; his views upon the fair distributing of our taxation; and his plan for gradually redeeming the national debt, which will lesse all our taxation, are subjects of urgent interest. All three subjects are permanently before Parliament, and take up many pages in the Statut Book; all three are of a character to demand the people's and the statesman's earnest study, with the aid of such writings as those of William Paterson, the founder of the Bank of England.

Information on his career has sprung up abundantly since the compiler began to inquire into it nine years ago. He has had good help; and has tried hard to place multifarious materials correctly—as facts and documents—before the reader. He has not her attempted to write a life. The choice lay between putting the wor off till the collections should be complete for a better dispose of them, or publishing what was got, so as to rouse attention to neglected theme, and obtain a result fairly described by one of the compiler's numerous critics:—

<sup>&</sup>quot;Crude," he says, "as are the materials thus amassed, and to a great exterimperfect, it can hardly be said that their publication in their present state altogether without justification. If we regard the object of the compiler

having been to awaken that interest in the memory of a forgotten great man which few can more justly deserve, and to pioneer the way to a more complete knowledge of his entire life and of his labours in the cause of commercial and political progress, praise only can be awarded to such an enterprise; and if we have been somewhat severe on the character of the work produced, it may be taken to a certain extent as an indication of its success to have aroused so strong an interest in its subject that disappointment at the meagre satisfaction afforded is keenly felt. At all events, the question of William Paterson's real character may henceforth be considered as set at rest."—Literary Gazette, Sept. 4th, 1858.

The "indigesta moles" thus frankly dealt with in the Literary Gazette is again presented to criticism, with remarkable additions quite recently discovered. Even more such excellent materials are promised. Our unpublished literary stores are as multitudinous as those of Nineveh, and as the not more precious treasures of the regions of gold.

The compiler still holds the opinion that, in such a case, it is better to publish something at once, even if a little crude, rather than to wait for leisure to reduce the materials to artistic shape. He will gladly see a more fitting wreath of evergreen, placed on the brow of his Scottish worthy, by an abler writer, who, as Lord Brougham says of Principal Robertson, can "combine the graces of a fine style with the grace of finer truth."

The publication of the Work has been a little delayed for the sake of private letters, which the compiler has reason to believe might be found by diligent search. The delay is rewarded by the very recent discovery of a highly characteristic Portrait of William Paterson; and of MSS. of great value, both historically, and also in regard to his personal career.

This explanation is due to those whose liberality has enabled the compiler to publish his work with as much completeness as it seems to him at present to be capable of; and the imprudent publication of the First Edition against his wish, and full of the grossest errors, will excuse this explanation, reluctantly given.

MATERIALS have been found so abundantly in the progress of the work, that it has unavoidably become miscellaneous. The last discovery of a MS. on the Union, with Paterson's portrait, is only one of them.

Inquiry, too, proves that Paterson's eulogists, from so early a date as 1696, far outnumber his very few maligners and undervaluers; the latter from ignorance, the former from envy, and even a more shameful motive.

Fifty years ago, Mr. Allardyce, a Member of the House of Commons, and a proprietor of stock in Paterson's Bank of England, improved upon the previous favourable testimony of his cotemporaries of the highest class, and even enlarged upon Mr. Stewart's eulogy, quoted in the title-page of these volumes. Sir John Sinclair, in *The History of the Revenue*, adopting the words of Mr. Allardyce, declared that "Paterson possessed a fertile genius, a clear and enlightened understanding, a firm mind, and the enterprising spirit of his countrymen." Lord Macaulay repeated this with a slight variance; adding, from good authority, that he possessed, moreover, great persuasive powers of conversation; and Lord Macaulay's testimony

came with a personal weight which at once enhanced the adopted panegyric, and rendered some undervaluing observations of the historians too formidable, in reference to Paterson's fair fame, not to be studiously refuted.

It must further be admitted that, although these, and many more, have for 150 years testified well of Paterson, others have expressed grave doubts both of his integrity and his abilities,—imputing to him the having been a buccaneer; and the having assumed the character of a missionary among the Indians in order to indulge a spirit of adventure, and "a truant disposition," in a region exposed to scenes of reckless violence, and frequented by men of more than doubtful morality.

It will, therefore, be required, that anything seriously equivocal in his career shall be candidly explained, and what is obscure in it diligently cleared up.

The want of a full biography of him has been much regretted, and the extreme incorrectness of such notices of his life as we do possess, justifies the complaint: whilst our present deep interest in the affairs in which he was long and earnestly concerned, and for which his pen has furnished the best record, must, independently of his share in their administration, secure attention to his writings. The spirit of those writings is even more remarkable than the weight of their subjects and their originality. Their total disappearance from our litera-

ture is one of the most singular incidents in its history. A fact still more curious is that one of them, namely, the first of the present collection, was published in the middle of the last century as a work of John Law, of Mississippi fame; and held by so distinguished a person as Professor Dugald Stewart, to have been really from his pen. That this was a mistake is submitted to the reader with confidence, inasmuch as the very highest bibliographical authority in Scotland, supports the Editor's view of the case:—

As the current of public opinion [says the Professor] at a particular period (or at least the prevailing habits of study) may be pretty accurately judged of by the books which were then chiefly in demand, it may be worth mentioning before I conclude this note, that in the year 1751 (the same year in which Mr. Smith was promoted to his professorship), several of our choicest tracts on subjects connected with political economy, were republished by Robert and Andrew Foulis, printers to the University of Glasgow. A book of Mr. Law's, entitled Proposals and Reasons for constituting a Council of Trade in Scotland, &c. reprinted in that year, is now lying before me, from which it appears that the following works had recently issued from the university press: Child's Discourses of Trade, Law's Essay on Money and Trade, Gee's Trade and Navigation of Great Britain considered, and Berkeley's Querist. In the same list Sir William Petty's Political Arithmetic is advertised as being then in the press .- Works of Adam Smith, vol. v. p. 548.

Against this powerful and positive testimony the Editor is glad to have the opinion of Mr. David Laing,

of Edinburgh, that the argument in the Preface to "the Proposals" might

under ordinary circumstances be deemed quite sufficient to identify Paterson as their author. The work, however, without any authority assigned, was republished at Glasgow in 1751 under the name of John Law, and has uniformly been referred to by his later biographers as his composition. It is therefore desirable that this question should be definitely settled by cotemporary authority. Sir Robert Sibbald, indeed, in a MS. list of Scottish authors, written probably about 1710, mentions the work, and says "by Mr. Law or Mr. Paterson," confounding it, no doubt, with Law's tract "Money and Trade Considered," printed at Edinburgh, 1705, 4to. But we have the name of Paterson given as the author on the title-page of at least one copy at the time of publication. But what seems to me to be quite conclusive, is the authority of Sir John Lauder, of Fountainhall, one of the Lords of Session. In a MS. note-book, commenced in 1667, and continued till 1721, in which Lord Fountainhall gives a list of books and pamphlets, "got or bought," the first book entered under the year 1701, is "Mr. PATERSON'S Proposealls and Reasons for a Counsell of Trade, and for Fisching and Coine." Added to this is the very important fact, that the author dates his preface from Edinburgh, December 31st, 1700. Now we know from the "Memoirs of the great Mr. Law," published at London, 1721, 8vo, that John Law was, at that period, for some years in Italy, residing first at Genoa, and afterwards at Venice, acquiring wealth by his "success and skill at all manner of play;" while Paterson, at the time when the Proposals were printed, was in Edinburgh.

To Mr. Laing's decisive argument upon the authorship of the particular tract in question, may properly be added the published praise of two other works of Pater-

son's, by the President of the Chetham Society of Lancashire, Mr. Crossley; so that demonstration of his value as a writer cannot be carried further.

The very able and valuable "Inquiry into the State of the Union, by the Wednesday Club in Friday Street," 1717, (says Mr. Crossley, in the "Notes and Queries" of 11 June, 1852,) was written by William Paterson, the projector of the Bank of England and the Darien scheme; a great and memorable name, but which, to the discredit of British biography, will be sought for in vain in Chalmers's or our other biographical dictionaries. The book above noticed appears to be a continuation of another tract by the same author, entitled "An Inquiry into the Reasonableness and Consequences of an Union with Scotland:" London, printed and sold by R. Bragg, 1706, 8vo, 160 pages. This was preceded by an earlier tract by the same author: "Conferences on the Public Debts, by the Wednesday's Club in Friday Street:" London, 1695, 4to. The last is noticed, with a short account of the author, by Mr. M'Culloch ("Lib. of Political Economy," p. 159), but he has not mentioned the two other works previously adverted to. In all of them the author adopts the form of a report of the proceedings of a club; but, without attempting to deny the actual existence of a Wednesday's Club in Friday Street (the designation he assumes for it), nothing can be more clear to any one who reads the tracts, than that the conversations, proceedings, and personages mentioned are all the creatures of his own fertile invention, and made use of the more conveniently to bring out his facts, arguments, and statements. The dramatic form he gives them, makes even the dry details of finance amusing; and, abounding as they do in information and thought, thesc works may always be consulted with profit and pleasure. The "Inquiry into the State of the Union," 1717, 8vo, for which Walpole is said to have furnished some of the materials, was

answered, but rather feebly, in an anonymous pamphlet, entitled "Wednesday Club Law; or, the Injustice, Dishonour, and Ill Policy of breaking into Parliamentary Contracts for Public Debts:" London, printed for E. Smith, 1717, 8vo, 38 pages. The author of this pamphlet appears to have been Mr. Broome. Those who would wish to see one of the financial questions discussed in the Inquiry, treated with equal force and ability, and with similar views, by a great cotemporary of Paterson, whose pamphlet came out simultaneously, may read "Fair Payment no Sponge." This is one of the pamphlets which, though it has been sometimes erroneously assigned to Paterson, may, both on external and internal evidence, be confidently attributed to Defoe, but which has unaccountably escaped the notice of all his biographers.

Paterson,—living in the period of a great crisis of our political history,—a time when our commercial character was struggling out of feudal corruptions, and when it was assuming its just equality with legitimate property in the soil,—was one of the boldest advocates of free trade without undervaluing fair territorial claims. He stood forward, incomparably the ablest of those who provided money for the great war of the Revolution of 1688, waged to resist the conquests of Louis XIV. abroad, and to vindicate civil and religious freedom at home. He never ceased to urge how the credit of the State could be best protected by the skilful management of the finances; he demonstrated how industry could be effectually relieved by a wise distribution of the taxes, and by the due discharge of the National

Debt. His principles of government in these and other respects, well expounded as they are by him with powerful historical deductions, to this day deserve careful study.

He appreciated most correctly Scotland's capabilities, in his time completely suspended, as he proved, by mischievous legislation; and those of England, for a brief space in some decay; as well as those of Ireland, hardly then cultivated. He promoted measures the best calculated to meet the perplexing difficulties of the Government, and to advance the general welfare. He vehemently opposed financial measures fatal to the public interests — monopolies and corruptions of all sorts—political tyrannies; but especially the delusive principle of inconvertible paper money.

It is not pretended to solve the problem how a man so endowed, and one pursuing, as will be seen, an unswerving course of honour and public usefulness, should have been neglected, and even oppressed, by the Government, in the most trying years of his ebbing life, or how it was that soon after his decease, his important writings and opinions fell almost into oblivion. Party spirit seems to be chargeable with the injustice long done to him when living; and it may be that his great principles of finance have been since disregarded for want of intelligence to appreciate them, and probably through the want of political integrity among us. His memory

calls for vindication; and his personal case is by no means a solitary one of inequality in the distribution of public honours; nor the only example to prove that the history of our laws, our institutions, and our people, needs revision. In regard to our celebrated men, the moral of the periodical elevation and displacement of some of them in the temple of Fame, according to corrected estimates of their qualities, so admirably depicted by Akenside, could in no instances be better applied than in those of William Paterson, and of one with whom he is often confounded, or injuriously compared—John Law of Lauriston; with whom he possessed scarcely a quality, political or moral, in common.

The grandeur of the designs of Paterson was recommended to his cotemporaries by the dignity of his character. From documents lately found, and fully set forth in the Introduction and the Appendix, it will be seen, that his reputation and influence were established so early as in his first residence in America, prior to 1688. Again, in 1692 he appeared before a Committee of Parliament, representing with power great moneyed interests in London, where he was not only the true founder of the Bank of England, but the well-supported proposer of an analogous institution in the city. He had indeed already formed something like a school of

able financiers, who thoroughly understood the distinction between the real credit of solid property, and the false credit arising out of mere paper issues. Thenceforward, during nearly thirty years, that school made head, first against the predecessors of John Law, and then against John Law himself and his misguided supporters in London and Scotland. He thus caused the rejection of schemes which, after his decease, covered all Europe with misery and shame; and which schemes have still zealous partisans in all mercantile communities. These facts alone give a present value to the original and well-reasoned writings of Paterson.

In Scotland he formed the Darien Company out of the most discordant elements, and in the face of resistance powerful and various; and when, from no fault of his, the Darien settlement was abandoned, he, with signal fortitude and great prudence, recovered his own position at home, and prepared the revival of the enterprise under peculiarly auspicious circumstances. Even when, by the decease of King William III. whom his admirable qualities and discretion had conciliated, the revived combination suddenly failed, he was, in England, during many years admitted to be the able advocate of the wisest measures for the public good; and, after struggling those many years against injustice, he at last

won a double triumph. In the first place, his noble views were accepted by Parliament as bases of a sound system of finance, even then well pursued to a limited extent, and now capable of advantageous application upon the larger scale, to abate evils generated by the errors of 150 years.

To the public triumph was added his personal vindication, obtained from George I. and from Parliament, by a large grant of money to satisfy his claims on account of the Darien Company. By this act of justice he was happily enabled to discharge obligations, which attest the respect and affection of a numerous circle for a worthy man.

A series of valuable documents have been collected, forming a substantial substitute in the place of the narrative of his life, for which much-desired details are still wanting; and a few explanatory remarks upon those documents, and upon his writings, are all that, it is thought, can properly be yet offered by way of biography of him, unless conjecture were to be indulged in for well authenticated facts, and analogies trusted to where tradition is not supported by positive testimony.

The urgent question of administrative reform will be found to receive useful illustration from William Paterson's career.

Two Sovereigns, founders of a new line, and distinguished statesmen held him in high esteem. The chief merchants of London, the whole Scottish nation, and the United Parliament, followed his counsel. But it is not on account of what he accomplished so well, that this appeal is made. Its object is rather, to ask the consideration of some things he proposed in vain for us all; and also of what, in his own case, the Government of the time long disregarded—ADMINISTRATIVE JUSTICE—still neglected among us as grossly as it was in the reign of Queen Anne—but which now awaits reformation under circumstances of peculiar promise.

Unquestionably the personal case of Paterson—in its bearing upon administrative reform—claims the most earnest consideration. In his time men knew, although they have forgotten, that, by the statute law of England, ministers are bound to select the "best" for the service of the Crown. The statute roll of Richard II. was exhibited in Parliament, when an impeached Lord Chancellor was fined 30,000*l*. for breach of it; and it was then a popular complaint that the "best" men, such as Paterson, were, on unworthy considerations, postponed at the Treasury, and in other posts, to their inferiors. The Tower still possesses that ancient roll; and, with less knowledge of its text than our fathers had, we are struggling to obey its spirit.

Nevertheless individuals scoff at its purpose as "Utopian;" and undervalue the measure recommended by Her Majesty the Queen, sanctioned by Parliament, and accepted by the people, for the admission of the meritorious alone to the public service.

The task so auspiciously begun is the very worthiest that statesmen could undertake, and the wonderful unanimity signified by great political parties to accomplish it, is an earnest of our success. Ministers who are passing off the scene, are content that those who are to come after them shall be free from corruptions often even more embarrassing than discreditable; and their followers are seen to hail with eager satisfaction becoming their youth, an era of honour little known to their fathers. The cheering prospect may, indeed, permit some enthusiasm that is sure of an approving response throughout the whole civilised world in any degree influenced by our example. Nor does the foundation of this especial reform lie deep only in our Our literature, too, is thoroughly imbued with the spirit that may be relied upon to carry it through. A learned and acute German critic and historian, Dr. Vehse, has, in Shakespeare, correctly traced the broad distinction of the agency of personal merit from the antiquated dogma of fate-the "good luck" of the scoffing, corrupt Utopians. Well, indeed, does Dr.

Vehse say, "In Shakespeare, fate and individual will amount to the same thing. The man's resolution is his destiny." (Shakespeare als Protestant, Politiker, Psycolog, und Dichter. Dr. Ed. Vehse, 8vo. p. 57. Hamburgh, 1851.) "Man is his own star," as the wise guide to "success in life" tells the young Americans, in the same noble strain that has just prompted the citizens of London to place prominently in their Guildhall, the like motto of our Wellington's shield, Virtutis fortuna comes, for the encouragement of their children's children.

More, however, than the present test of official candidates is wanted for the fitting reformation of the public service. Not only must the "desert," protected by the statute, be competitively recognised as the first step to office, but desert in office—the diligent discharge of duty,—signal ability,—great integrity—must be titles to advancement;—favouritism in such advancement, from every cause, must be checked,—"interest" suppressed,—and the wronged must be allowed judicial means of redress. For these ends our supreme administrative tribunal, the Privy Council, must no longer be shut against complainants, as it now is, at the partial discretion of any department appealed from. Three words, in amendment of the Privy Council Act of 1833, which were proposed in that year, when it was heedlessly passed

without them, will set this matter right, and throw a new spirit into the public service in all its world-wide branches. The victims of the present, most corrupting, system which clogs appeals from error, will call down grateful blessings for the change; and the William Patersons of the country, of whom there are many in their degree, will no longer suffer from official abuses. A greater good will be the reward of staying these abuses. For the incapacity and intrigue, which, under the despotism of office, now of necessity mar the best designs, affairs will be guided by the intelligence and the integrity which spring up of themselves when reasonable responsibility is a characteristic of the administration of affairs.

A new era is recently opened in the study of British history, by the very extensive disclosure of state papers of all periods; and if to examine some candidates is an earnest of general administrative reform, this free access now granted to our Records, which largely concern the public service, will bring it under full review; and so secure every other improvement. Hence all our history may be hereafter written with the sources of truth at the writer's command; and that which was almost inevitably "bold untruth, or timid suppression," may henceforth become a faithful, if not an eloquent guide. This is a thorough revolution in historical lore; and, trusting that such sources have been here

used with diligence and discretion in the study of Paterson's story, the benefit thus enjoyed, is thankfully acknowledged. If of those priceless materials—a few belonging to circumstances in our history little known, have been consulted with very moderate skill to illustrate his writings, this reproduction of his works may obtain approbation, and promote important public objects.

Among other measures of social policy, proposed by Paterson for Scotland, his plan of universal education, and that of occupation for offenders, instead of the halter and exile, were conspicuous. Both of those designs are yet wanting throughout the three kingdoms. Difficulties impede popular education; and Committees of Parliament cling to transportation, unmindful of its unspeakable and irrepressible horrors, when home discipline and home employment are at our command to prevent their occurrence.

The value of the principles actually carried out by him in legislation at home and in colonial enterprise, may be measured exactly in contrast with the views of other eminent men in his time; and these views are by no means yet given up. Thus industry and intelligence, with their just reward, were the means he relied upon to elevate the people, whom such a man as Fletcher of Saltoun would have literally

enslaved to make them laborious. Thus he advocated free trade when even Addison called for protection. Thus he provided for the admittance of Roman Catholic and Jew to citizenship in Darien, when the grant of a West India island was obtained by Sir John Hoskyns of Hereford, upon the express condition of excluding both from the colony. Thus he insisted upon the need of a popular element in the *home* administration of colonial affairs, when even John Locke was content with *Bureaucracy*.

Thus in banking he never swerved from the safe basis of gold and silver for the most extended system of transferable bills; whilst Chamberlain and the other antagonists of his system eagerly planned their credit-currency upon inconvertible paper; and when John Law at last succeeded in introducing that currency, to the enormous injury of both France and England, at the moment Paterson was sinking into the grave, neglected. Finally, Paterson, with pre-eminent ability as an economist, prepared his excellent systems of accounts to check abuses, and of taxation to meet all exigencies and discharge the public debts, whilst the disregard of his advice to this day occasions needless embarrassment, only borne by resources which our liberty and our energies seem to render inexhaustible.

writer in London for many years after his ruin in the Darien Company's disasters; and with a declaration in his will of 1718, proved soon afterwards, that he was "of Westminster," and with several obituary notices at the time, this ingenious essayist regrets that he did not make himself a "record, as it were," by a book; adding that, "hence we cannot say when or where he died." (Blackwood's Magazine, July. 1856, p. 91.)

His life of many trials had the melancholy close exhibited in an official letter a very few weeks before his death, and betrayed even by a signature, the facsimile of which indicates the writer's prematurely feeble hand. In youth, persecution only gave a spring to his native energies, and spurred him to become, what he sagaciously saw his countrymen were capable of becoming, great in commerce. In ripe manhood, his perfect success in forming the Bank of England prepared the way for his well-conceived vast colonial enterprise in Darien: and he met the unmerited difficulties of that enterprise with extraordinary self-sacrifice and the wisest moderation. When stripped of competence he not only bore distress and the borrower's mortifications without repining, but his rare abilities in finance and his patriotism gave him weight enough materially to promote the best public act of the time, the Union: and our most vital financial measure, the Sinking gi.

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Fund. With a life so passed, and when a large parliamentary grant indemnified his losses after many delays, it was to be expected that trouble would no more befall him. The event was otherwise; for official mismanagement the most culpable, and gravely to be suspected of design, sorely aggravated his former losses, by rendering that provision precarious. Authentic records of the time contain proofs that the Treasury had it in contemplation, to pay off at once the debt of which Paterson's provision was a portion. But strange to say, that fund was kept afloat for near a century and half to the public loss; and when redeemed a few years ago, its origin had been almost forgotten.

In 1718, financial events began to expose the intelligence and the integrity of statesmen to the severest struggle. He took part manfully in that struggle, which, of all men, he was the most capable of helping to the best issue. But his few last days were gloomy. The wise resolve of the Government which had relieved his pecuniary distress at the accession of George the First, was not strong enough to bring him into the high official station that belonged to him. Already Addison, with greater claims undoubtedly than even Paterson, had found much difficulty in making his way. John Law was forcing his fatal system upon France, and he had supporters here; for, as well remarked by the Earl Stanhope (Lord

Mahon), events there have ever produced effects among us. The Mississippi bubble was to be followed by the South Sea Bubble. During 1716, 1717, and 1718, as Law rose in France, Paterson sank in England, and early in 1719 he died. All the circumstances of his story deserve to be studied for our instruction, but in no one point is that story more worthy of attention than in regard to his resistance of Law's plans. Nevertheless, he has been treated as approving of those plans; and as if he was himself a blind, if not a designing, "projector."

On this head, M. de Forbonnais concludes his fine work the "Researches into the Finances of France, from 1295 to 1721," with a striking remark. The French author had previously stated the fearful sufferings of his nation under the influence of Law's system.

"But," he continues, "a still more dangerous effect of that influence was the odium thus east upon the very word 'system;' although it merely expresses a scientific plan, logically sustained by deductions from the best considered premises. The administration of the public revenues is understood by few; and since the fall of the system, every thing professing to rest on abstract reason, is rejected by the multitude with suspicion. The unlucky advocate of even excellent new measures to improve the management of the Treasury, is at once set aside as a projector." (Vol. VI. p. 388—12mo.)

So the South Sea Bubble spread a general distrust over England, and Paterson's fame was exposed to it. The "projector" became an object of dislike and ridicule, Ľ,

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if not of alarm. Swift, in "Gulliver's Travels," ridiculed the class, although he made powerful use of Paterson's doctrines, in the controversy against Wood's patent for a debased copper coin in Ireland. Even Dr. Adam Smith fell into the common error, as is shown in Mr. Bentham's spirited remonstrance with him on the subject. This false popular impression has been carried further, to the great injury of the public interests. It is stated by so high an authority as Professor Stewart, in his biography of Adam Smith, that in his own time, to study political economy exposed men to the imputation of being disaffected to the State. Therefore the writings of the founders of that dangerous science, now justly our boast—the Sir William Pettys, the John Lockes, and, it should be added, the Patersons of the 17th century ceased to be read (Sir William Hamilton's Works of Professor Stewart, 1854, vol. I., p. 97). Sir James Stewart, Hume, Dr. Price, and Dr. Hamilton, differing on other points, agree marvellously in this neglect; and when Sir John Sinclair published the first edition of the History of the Revenue, he omitted the very name of Paterson, although in late editions he did him full justice, under the prompting of Mr. Allardyce.

In the last century, indeed, a great banker, Mr. Magens, had better views; and his collection on finance, with Paterson's best tracts, is wisely added to the Free

Library at Manchester. The late Rev. Richard Jones, the able and eloquent Professor at Haileybury, also possessed the rarest of such tracts, including Paterson's chief works, with which he was certainly well acquainted.

The neglect of them deserves the more to be noticed, inasmuch as Prof. Stewart, even when sharing it, traces our progress in the science to "the Royal Exchange of London" as its cradle; and Mr. Thornton, in his "Inquiries into Paper Credit," excuses his confutation of certain opinions expressed somewhat unguardedly, by claiming the right of his own "practical" experience. Under these circumstances, it was surely to have been expected that the merchant Paterson would be studiously consulted on matters he had so well mastered.

His life, passed in the pursuit of great and good objects, should have secured a more peaceful end. But a new minister whom he taught in vain, neglected him; and an appeal addressed to that minister a very few days before his decease, gives painful evidence of his individual distress, under the mismanagement of a Treasury about so soon to sink all individual misery in the wreck of the South Sea Company, on a scale almost national. The whole history of that perilous time, replete with lessons upon financial questions which some are disposed to undervalue, ought to be scrutinized most rigorously. By the

unsparing disclosure of authentic documents to settle disputed points, those lessons would be recorded with discrimination, to the advantage of all.

Paterson's troubled life, and his great personal merit are well illustrated by two documents under his own hand. They are preserved at the Rolls, among "The Registered Treasury Papers" opened of late, and discovered by the Editor as this preface was passing through the press. These documents are the more welcome, as the few remains of their character hitherto found, show that his story is best told in his own words. The following letter was addressed to the Lord Treasurer Godolphin, to whose ministry it is a heavy reproach that such an appeal should have been made in vain. The signal defeat of that ministry soon afterwards, was perhaps less owing to the intrigues commonly alleged as the cause of its fall, than to the financial abuses which it tolerated. Lord Godolphin's persevering neglect of the ablest financier of the time, who was also one of the truest of patriots, must have been displeasing to the Scots, after their earnest recommendation of him at the 'Union; and the withdrawal of the votes of Scottish members is known to have weakened the failing party. Assuredly Paterson was among the "persons skilled in calculation," who, as Swift then declared in the "Examiner," could have relieved the nation from increas-

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ing debt, with its exorbitant interest, and the demoralizing tendencies of Change Alley. But the Dean's patron, Harley, Earl of Oxford, the succeeding Lord Treasurer, was still more regardless than Lord Godolphin, of the ruined Scottish merchant. Not only was he not then employed, but "a violent party," year after year defeated in Parliament, Bills brought in for the indemnity due to the man whose intelligence never failed the country, and whose integrity was proof against all trials.

To the Lord Treasurer Godolphin he says, in "extreme distress;" the more pitiable, as it was caused by his own high-minded conduct, and aggravated by unmerited disappointment;—

## "MY LORD,

"The dependence I have had upon the public for a settlement in its service, or for some way or other to have a recompence for what I have done for near seven years of Her Majesty's reign, besides former losses, hath at last so reduced me and my family, that without a speedy provision and support from Her Majesty, I must unavoidably perish.

"It was the daily hope of some suitable provision from the Government which first enabled me to support myself by borrowing, at an expense triple to what might have sufficed in a retired life without public business or prospects.

"The expectation of my claim on the Equivalent has kept me up for the last two years; but since that is still postponed, and as it now stands, I can have no relief till next Session of Parliament, and

then instead of ready money, I can expect only debentures on the growing Equivalent; I am thereby reduced to extreme distress.

"The enclosed petition to Her Majesty contains the sum of my case, which necessity obliges me now to represent; and I most humbly entreat your Lordship, of whose goodness I have had such particular instances, to intercede with Her Majesty now, at last, to take some immediate care of me, and so to establish me for the future that I may be preserved, and be made further useful during the rest of my life. Humbly hoping for your Lordship's speedy and effectual care of me in this distress, I am, your most faithful

"Obedient Servant,

"WILLIAM PATERSON."

This letter was written at Westminster, 4th April, 1709, and the petition enclosed is as follows:—

## "TO THE QUEEN'S MOST EXCELLENT MAJESTY.

"The Humble Petition of WILLIAM PATERSON,

### "SHEWETH-

- "That your Petitioner first formed and proposed the scheme for relieving the public credit by establishing the Bank of England; but that, notwithstanding the signal success of that institution for the public service, and his unwearied endeavours in promoting the same through all manner of opposition, from 1691 to the full establishment thereof in 1694, your Petitioner never had any recompense for his great pains and expence therein.
- "That the large share your Petitioner had afterwards in the proceedings, misfortunes, and losses of the African and Indian Com-

pany of Scotland, as well as his concern for the true interest of Great Britain, induced him to employ his thoughts and time in proposing a complete Union, by which those losses might not only be effectually repaired, but the causes of future misunderstandings entirely removed.

"That accordingly your Petitioner did, in 1705, frame a scheme of such an Union as he hoped might answer the aforesaid ends, with public provision for repairing the losses of the said Company, the which scheme he communicated to the Lords Commissioners of both kingdoms at the late treaty, who were pleased to entertain the same favourably. Thereupon your Petitioner spared neither pains nor expences in forwarding the same everywhere; of which services the last Parliament of Scotland was so very sensible, that they were pleased in a special manner to recommend him to your Majesty.

"That when by reason of an omission of those concerned, in stating and certifying his claim upon the Equivalent, your Petitioner was necessitated to have recourse to the first Parliament of Great Britain for relief, the Honourable House of Commons, after examining the matter, was pleased by its resolution of 18 March, 1707. to declare, that 'Paterson ought to be paid all the sums owing to him by the African and Indian Company in Scotland, pursuant to the agreement made between him and the said Company in the terms of the Treaty of Union; and that such a recompense ought to be given to him as might be suitable to his services, expences, loss, and particular cares.'

"That pursuant to this result there was a clause made in an Act of Parliament intituled An Act for further declaring the proprietors of the Equivalent money, by which the Judges of the Court of Exchequer in Scotland were authorized to certify and report on Petitioner's said claim.

"That in July and August last your Petitioner applied to the

said Judges in Edinburgh, by whose award Mr. Roderick Mackenzie, late Secretary of the said Company, did lay before them a report and extracts of the register books of the said Company, by which it appeared that the conditions of subscriptions of £600,000 to the stock of the Company, 2 per cent. premium of that sum, was for the considerations aforesaid, agreed to be paid to Petitioner out of the first payments, and 3 per cent. from the profits for 21 years.

"That by the said report it likewise appears that the subscription of £600,000 was soon completed, and one-fourth of the money paid to the Company, whereby the 2 per cent. premium, amounting to £12,000 became due immediately to your petitioner.

"That by your Petitioner's account current with that Company, likewise laid before the said Judges, it doth appear that your Petitioner hath not received the said premium, nor had satisfaction been made for his subsequent great expences, pains, and losses, on account of the Company during the space of ten years.

"That the nature of this dependence before the judges being such as still to require more time for due reporting your Petitioner's claim, he is disabled making his further application this session for relief.

"By which so long continued troubles and expensive proceedings, your Petitioner is rendered unable to subsist, or to extricate himself from the debts and difficulties wherein he is thereby involved, without your Majesty's special care and protection. Your Petitioner therefore, humbly prays your Majesty will be graciously pleased to grant him your royal favour and countenance for obtaining satisfaction in this his claim; and, in the mean time, in consideration of his services, pains, and expences on the public account, to make such provision for the support of him and his family as may enable him comfortably to subsist, and to persevere in your Majesty's service during the remaining part of his life. "WILLIAM PATERSON."

These documents identify the petitioner Paterson, with the author of the contents of these volumes, and materially elucidate his story.

The "borrowing" mentioned in the letter, is shown by his will to have been continued during a suit of six more years for the satisfaction of the claim so shamefully evaded. Nevertheless, instead of either sinking under his difficulties, or avenging himself by an opposition likely to become formidable, he seconded the cause of the revolution like a true patriot, as well as the special enterprizes of the succeeding ministry, to the credit of which he had himself almost a personal right. In 1711, the Earl of Oxford founded the South Sea Company, to promote trade similar to that contemplated by Paterson for the Darien Company, and to promote his favourite object, the redemption of the National Debt. Unable himself to subscribe to the stock of the Company, he wrote in its favour; and shares in the stock to the amount of £4,000 were taken by his friend Daranda.

His merit in originating the Bank of England, as becomingly asserted in the petition, is not to be questioned; and it does not appear that with all his bitter disappointments, he concurred with those who at that time carried on the extremest hostility to the Bank.

The celebrity of the Bank of England is a brilliant monument to Paterson's honour. What he did for it was acknowledged at the time; and the modern writers on that subject—such as Mr. Allardyce, in his address to the proprietors, in 1798; Mr. Mackay, of Dublin, and Mr. Francis, in their histories; with Mr. Logan on Scottish banks; Mr. Lawson and Mr. Macleod, in their accounts of banking—are agreed in lauding him. Even greater honour is due to Paterson as the persevering champion of right principles of commercial and financial credit, which, against John Law, and the precursors of John Law, he steadily maintained was essentially dependent upon paying bank notes in specie on demand. But although he took an earnest part against the supporters of the issue of unguaranteed paper-money, he, at the same time, warmly advocated the removal of all needless obstacles to the free circulation of any currency, having real value to sustain large credits. It was his maxim, that Bankers known to be able, and seen to be ready, to pay their notes in specie on demand, would not be exposed to runs. He, above all his contemporaries. succeeded not only in combining capitalists to form joint-stock banks, but in contributing to the disregard of the lawyers' antiquated maxim, that notes for money, being "choses in action," COULD not be transferred without deeds of assignment; or recovered without dilatory

expensive law suits. In the 17th Century, strong efforts were made by commercial men to place such notes upon the footing of Foreign bills of exchange. Eminent judges, of whom the Lord Chief Justice Holt was the leader, zealously opposed the measure. At length Parliament interfered, and by the statute of the 3rd and 4th of Queen Anne, made perpetual by the 7th of the same reign (1709) the claims of the merchants and bankers became law. No evidence has been found of the special agency of William Paterson in effecting this great improvement; but it took place at the time of his influence with Lord Treasurer Godolphin, and the statute itself is in the words of his own proposals to a Committee of the House of Commons in 1692, set forth in the Biographical introduction.

It is also an unquestionable and interesting fact, that as his judicious measures had secured the subscription of £1,200,000 for the Bank of England in nine days, so in nine days "by his influence, without any public print or advertisement," he raised £300,000 in London the very next year, for the Darien Company. Again, the English subscribers having been compelled by the House of Commons to retire from that Company, the requisite capital was as easily obtained in Scotland, by means of his popularity. The force of these great facts cannot be exaggerated. His judicious advice could

have relieved the Bank in its difficulties in 1696; as his intelligence and great credit commanded resources surpassing those of the rival Tory banks, and even those of the mendicant ministers in the gigantic contest with Louis XIV., when money was as potent as men; and the financial genius of the merchant-statesman, Paterson, could have sustained whole armies to wage that contest. At that perilous crisis, not to appreciate his value to the State was a fatal error, as fairly exposed in his Club history of the early struggles of the Bank, here republished. That history is confirmed by characteristic Treasury minutes still preserved, and by the correspondence of so important a personage as Mr. Locke.

The grand fault, however, of William the Third's reign was resistance to the Scottish enterprise in Darien; a fault shared by English and Dutch monopolists. The success of the enterprise would have been certain with the king's support; and that success must have relieved the country and our allies from embarrassments, which were the occasions of our hollow peace of Ryswick and of our fatal partition treaties. All this was felt when too late. But even after listening with much deference to Paterson's advice, the king gave peremptory orders that no Scottish regiments should be included in the force. The orders were given to blind and conciliate the Spaniards, at that time, as long after-

wards, looking with extreme anxiety to the West Indies. It was forgotten that, much as they dreaded the severance of the Indies from the Spanish monarchy, they as much objected to Scottish invaders because they were heretics; and that the English, being heretics too, would by no means be unsuspected visitors, because they did not bring their co-religionists with them. In vain did the king's own minister in Madrid inform His Majesty that the dominant party there was implacable against him, even to assassination. His brave spirit, which had disdained similar attempts upon the lives of two rivals, refused credence to the imputation of so enormous a crime, to statesmen actually negotiating with him on apparently cordial terms. therefore, long persisted in keeping up friendly relations with the court of Spain, and so sacrificed the rights of his Scottish subjects and his own interests, to illusions unworthy of his sagacity, and attended with most disastrous results.

The effect of Paterson's plan of attack upon Spanish America was lost through the sudden death of King William; since the Duke of Marlborough's successful campaigns on the Continent gave overwhelming weight to his objection to the severance of our forces, which must have followed such distant expeditions; and the loss of Admiral Benbow, killed at that critical moment in an

action with the French in the West Indies, paralysed the plan.

After the enterprise thus carefully prepared was stopped, Paterson resided in London during many years in good repute, instead of retiring in poverty home to Scotland, as commonly supposed. He became a zealous advocate of proper and powerful means to advance commercial science; and in 1703 he gave his own books to promote its study, in a special library of every branch of industry and finance, proposed by himself.

His voluminous writings, and the chief actions of his life, may be distributed under several heads: 1st. Finance, with the coinage, banks, public accounts, and the national debt; 2nd. The Legislative Union, not only of England and Scotland, but also of all parts of the British Empire; 3rd. Colonial Enterprise; 4th Trade; 5th. Administration; and 6th. Some of the most difficult and interesting points of social improvement, embracing measures in criminal and commercial jurisprudence at this moment under anxious consideration among us. Whatever credit, however, he may be entitled to as an author his works are chiefly valuable for their argumentative and historical bearings upon these six important topics. He seems to have been indifferent to his own literary reputation; always publishing anonymously, and never using his pen but to promote weighty private business, Company, in 1695, he scarcely disappears from the scene, for twenty-four years, of which he certainly passed the greater part an inhabitant of superior rank in Queen Square, Westminster,—the very house he lived in being ascertained from the book of the Commissioners of Sewers, with its external appearance little changed.

In this period he produced the writings now republished. The first of them, "The Proposals and Reasons for Constituting a Council of Trade," appeared in Edinburgh in 1700-1. He argues in it strenuously, that freedom and good government would make the Scottish people industrious; and milder punishments, combined with rigorous coercion and reasonably paid employment, reform even their criminals. These views do honour to the merchant-statesman, who propounded them forcibly, when the able and patriotic Fletcher of Saltoun, saw no hope for the poor but slavery; when a code more sanguinary than that of Draco, prevailed throughout these islands; and when jealousies far more absurd than those of the Chinese or Japanese against us, had turned the inhabitants of all our borders into bands of smuggiers, or almost perpetually hostile factions.

It was with the Darien Company in its lowest decline, that Paterson exhibited this striking proof of his powers of mind by drawing up the *Proposals and Reasons for Constituting a Council of Trade*. The work is in fact a

complete plan of social progress, of which it is enough to notice the prominent topics of free trade, proved from the legislation of Scotland in the cases of the fisheries, and of wool, to be indispensable to the nation; and of the punishment of criminals, which he urged is only useful if combined with industry. He wisely rejects vindictive punishments running counter to general sympathies; and he would boldly appeal to the sense of honest interests, in order to bring the carcless, the rash, and even the criminal into the regulated ways of life. He was perhaps the first to propose visiting penalty the frauds passed over by our law as breaches of trust, and now about to be made criminal. Whilst the legislature thus practically admits the wisdom of the Scottish merchant of 1700, on this important point of jurisprudence, some weight should be allowed to his authority, based on the grounds of eternal justice, when he vindicates the mild administration of other branches of our criminal code. Yet there are not wanting advocates for the immediate return to the violent and wasteful practices he resists.

He strongly recommends another improvement, now engaging the earnest attention of the more opulent and more enlightened merchants. It goes to the root of great social evils, and must extend largely the improvement of public morality and private good faith. This is the formation of *Civil Tribunals of Commerce*, an object

which is supported in the common constitutional way, by perhaps an unexampled number of special petitioners to Parliament. Paterson advocated these Tribunals so powerfully, that King William the Third recognised their importance, and expressly promised to sanction measures for their adoption.

His Memoir upon Central America was written in a moment of extreme irritation in Scotland; and he had at once the merit of contributing materially to calm that well-founded anger against the injustice of the English, and the satisfaction of finding King William as eager as himself to extend British influence over the Spanish possessions in the Indies. Paterson's opinion of the practicability of a ship passage to the Pacific inclines to the line by Panama, which some experienced persons favour.

His Dialogues on the Union, in 1706, will now be read with interest, but more especially for the sake of the extension of the like measure to Ireland, and to every other portion of the empire, which he advocated.

The first part of the Dialogues of 1717, insisting upon the grave errors of ministers for several years in their treatment of Scotland after the Union, is a conclusion to the tract of 1706. It contains some remarks upon those errors still deserving attention.

But it is the financial portion of these latter dialogues, and his earlier productions of a financial character, that constitute his great title to the highest place among political economists.

The date of the work—1717—gives it a peculiar interest. In that year, the Sinking Fund for the Redemption of the National Debt was definitively organised; and to this day the measure, as planned by Paterson, is an integral part of our policy, after more than one serious breach of its principle and after extraordinary mistakes in the application of it, as if it had never been thoroughly understood. So little attention, indeed, has been paid to the original measure, that historians are scarcely yet agreed as to its author. Lord Mahon candidly disclaims the credit of it for his relative, Earl Stanhope, the minister when Sir Robert Walpole, no longer in office, brought in the measure, and really carried it. At a later period, Mr. Pulteney said correctly, that it originated in a short tract of 1701, written, it is believed, by Paterson. That tract will be found annexed to the Dialogues of 1717, which were unquestionably from his pen, and constituted the elaborate basis of the act of 1717, planned in 1715, before the death of the Earl of Halifax, probably the chief patron of the policy of the Sinking Fund, and certainly Paterson's warm supporter. His Lordship's death, in the summer of 1715, was a severe blow to him, although the loss did not prevent the passing of his Bill of Indemnity, nor check his efforts for the redemption of the Debt.

From that time ministerial changes were in progress to the disadvantage of Paterson's more zealous friends; and the sudden, wonderful triumph of John Law's system in France, at a critical moment, tended to their defeat by the party which favoured that system in its adoption by the South Sea Company, to the ruin of its patrons, and the country's extreme suffering. The perusal of Paterson's writings will show that too broad a line cannot be drawn between "the system" which led to that disaster, on the one hand, and Paterson's doctrines on the other. From 1705, these doctrines prevailed over what Law proposed in Scotland long before he succeeded in France; whilst so far back as 1692 they prevented the House of Commons adopting the analogous financial plan of Dr. Chamberlaine. The distinction is the more important, inasmuch as extreme confusion prevails on the subject Most French writers, whether economists, or historians, treat Paterson and Law as one; M. Capefigue calls Paterson, Law's teacher; and the ablest of them, M. de Forbonnais, who was quite aware of the distinction, states, in effect, the reason of it to be unknown. He cites Davenant largely, never Paterson, whose writings clearly explain that reason.

A greater error is fallen into by the most distin-

guished English statesmen and writers on finance, when treating of the antecedents to the modern Sinking Fund. Lord Grenville, in his powerful and candid letter on "the supposed advantage" of the fund, when joining Dr. Hamilton zealously in exposing the fallacy started by Dr. Price, and adopted by Mr. Pitt, that it is reasonable to borrow at a high rate to pay off the National Debt, imputes the fallacy to the promoters of the measure of 1717! His Lordship, however, certainly did not more than Hamilton, Price, and Pitt, study the history or nature of the measure of 1717; or examine at all the proposals of Paterson, who knew perfectly well how to use the credit of the state in ways more effectual than the wasteful scheme of 1786 permitted. In Lord Overstone's collection of tracts (1710 to 1818), the subject is largely discussed, with results carefully set forth in the 2nd volume of this work, in the notice of Harley, Earl of Oxford's financial plans.

The topics that belong to the life and writings of William Paterson, are almost as unlimited as the grandest objects of human policy and progress, still engaging the earnest attention of society. But the claims of one of those topics have recently revived among us, after being exposed unworthily enough, and from very peculiar causes, for a time, to some abatement of influence. This topic is, the spread of civilization by the combined

influence of humane policy and of religious missions. An error respecting Paterson's supposed pretence of missionary zeal, in order to secure the indulgence of his love of adventure in new countries, and among savage tribes, opens questions of extreme interest on this point, which honourably crowns his character; and especially comes home at the present moment to our best feelings. A German historian has attributed to him a plan for the conquest of the Spanish Dominions in America, and for the forcible subjection of the Indian tribes. While, however, no evidence has been produced in support of the supposition, that he ever went to the West Indies in any shape as a missionary, nothing is clearer than the documentary proof of his peaceful intentions not only towards the Spaniards, but, above all, to the Indians of the West, whatever his object was. In fact, he anticipated, as a colonial lawgiver, what constitutes the brightest of our social advances—practical philanthropy. It is the high praise of a genuine missionary, another Scottish man of genius, Livingston, to have thus practically taught a lesson to statesmen, for the guidance of our policy whenever we communicate with uncivilized tribes. "His great abilities," as Mr. Desborough Cooley justly urges, "have enabled him to complete a task far more wonderful than the fabled labours of antiquity. Being performed without violence or stratagem,

Livingston's exploits are of a character miraculously original," says this able geographer. He properly adds, "The absolute sway excercised over rude tribes, whose confidence is completely won by the missionaries, David Livingston and his father-in-law, the worthy Moffatt, redounds to the credit of themselves, their country, and their calling."

This noble victory of peace is not, however, purer nor more perfect than what Paterson actually accomplished in Darien, and would have carried to the best issue if he had not been impeded by unwise statesmen. He had deliberately planned measures for the enlightment of "the dark places of the earth," to use his own scriptural phrase; and it is by no means too late still to shape our course in conformity with his wise designs, duly regarding the change in the circumstances and the capabilities of those dark places.

At home, it will be seen, he entered zealously and ably into great social improvements. He was no mean engineer; and his name is to be found among the foremost to promote combinations of enterprising individuals to secure comfort to the people at large,—for example, by the better supply of water to London, both from the north and the south; and Westminster certainly owes to him some of its oldest architectural adornments. As he laboured effectually to unite England and Scotland,

so he argued powerfully in favour of the universal legislative union of all parts of the dominions of the Crown, With his not excluding the remotest nor the minutest. system of such union in force, Ireland and every other British region would have been represented in Westminster these 150 years, and Washington would have been in Parliament, not at the head of a hostile army of colonists, whilst Franklin would have been there too, not before the Council Board, to be insulted by a crown lawyer immeasurably his inferior, or discharging the melancholy duty in stirring up dangerous hostility against us in France. With this system of Paterson's, the Colonial Board of experienced men, planned by Cromwell, and continued by Clarendon, would have ruled with knowledge, instead of the little informed and careless minister, who lost us our thirteen American colonies: and in the place of the Colonial Office, which by intrigue and ignorance has multiplied Caffre wars, alienated numerous bodies of colonists, severed vast territories illegally and unwisely from the empire, and turned South Africa, with its well-founded hopes of civilization, into a wilderness of hostile camps. In regard to America, Paterson's counsel must have hastened and assured the progress of every improvement, whilst the neglect of it has exposed vast and rich regions in the centre to the marander; and now threatens the north with convulsions, from which British America can with difficulty escape. Moreover, his success in Darien must, a century ago, have led by way of the South Sea, and through the Eastern Archipelago, to a peaceful trade with China and Japan, as well as with all India, by other routes; long before our erroneous system of war and conquest for the last 150 years, excited alarm and roused enmity so widely in the East. His wise principles realised the sublime aspirations of our earlier kings, who invited the interchange of good offices with the people of those remote lands, to which, as they urged, Providence assigned diversities of products and various tastes, in order by mutual benefits, to bind nations together in friendship. In his time, too, there were rulers in the East, such as the Emperor of China—Kang-hi—who perfectly appreciated those principles of humane policy; and Paterson watched with earnest care the remarkable discoveries then made by Europeans in the remotest Eastern seas. By means of free trade, and peace, and universal toleration, he anticipated what, in the next generation, the ablest of the French economists, the Abbé Morellet, advised France to follow out, so that its Eastern commerce might become as profitable as by a contrary course of monopoly and violence, it in no long time became—a source of calamity and ruin.

The system of Paterson was crowned by his definite

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## PREFACE.

plan to disseminate knowledge among our merchants at home, that they might trade with intelligence; and the nation at large, by their aid, manage its affairs abroad with lasting success. Such intelligence would have humanised us as a people, and have saved our civilization from the reproach of displaying, as at present, a spirit of vindictiveness, as mischievous as the ferocity of the blindest barbarians. Under the influence of wiser views, we should not have incurred the dishonours of the American war, nor an Indian revolt, with the miserable prospect of slaughtering myriads of our fellow subjects when we proudly defy defeat.

Surely the English people have sagacity to take warning from experience, and not to throw away the best examples of times which were difficult as our own. William Paterson, the guide of his greatest contemporaries—of the heroic King William, of Charles Montagu, of the Lord Treasurer Godolphin, and even of an ungrateful scholar, Harley, Earl of Oxford,—of Walpole and of Townshend—may also be justly classed with the philosophers, his countrymen Adam Smith and Robertson,—whose lessons ruled Burke, and Fox, and Pitt, in their common vindication of the rights of humanity in India; when Parliament, led by these preeminent statesmen, made a law to prohibit Indian conquests. The disregard of those lessons, and the violation of that law, are matters of grave import. A master of

reason, Bishop Butler, could only account for the occasional misconduct of wise nations by supposing, that they, like individual men, have periods of insanity from which they recover. If, with the hideous horrors of 1857 before us, we abandon the grandest traditions of our history, we shall display to the world, not a passing fit of delusion, but a radical and permanent national degeneracy. We must go back to such lessons, and that law; and not yield for ever to the lust of domination and of gold, the promptings of the designing, or even to the wish to avenge the injured. Such a revival at once will recover social life in India from its ruins, and then raise the edifice of Christian civilization with which the true genius of England would cover the whole earth. A great cotemporary of William Paterson, Lord Keeper Somers, devised the proper method of attaining this glorious object by securing to Parliament correct states of all material events in our possessions abroad. An improvement in Lord Somers's official analyses of such events has been proposed to our ministers, but rejected by sinister influence, after being received with approbation. The stupendous events before us in India give a new interest to these analyses of intelligence, by demonstrating the inadequacy of the means employed by Government to avoid fatal surprise. To establish them, Parliament must resist all official men who fear the light.

Some circumstances bearing on these events deserve

notice. After the Darien failure, caused mainly by the opposition of the English and Dutch East India Companies, it is said that to retaliate the injury, Paterson planned the revival of the overland route to the East, in concert with certain Armenian merchants, who imported diamonds into Europe. There are accounts extant of that "Armenian" trade being shared by English capitalists, and Paterson's extensive relations with the continent give probability to the statement, for which, however, the Editor has not discovered any other foundation. But Eastern enterprises did take place in the time of Paterson, of which he was not unobservant, and which we might now reflect upon with advantage. Even at that time a mission from Louis the XIV settled the difficulty which Lord Macartney removed with so much wisdom in his embassy to Pekin. The French commander of the expedition, in the very same way, frankly told the Chinese authorities that his master-a great king in the West-would not permit him to do homage to the greatest sovereign upon earth. He, therefore, required that the same respect should be shewn by them to the French king's picture, as he was ready to pay to the Emperor. The expedient prevailed—and the humiliation of the Kotou was avoided. Had not the French afterwards committed enormous faults in China and throughout the East, in the management, both of their religious missions, and of their trade, their intercourse with all Asiatics must have continued to be as easy to this day as it was in the year 1700. Paterson certainly knew of this remarkable mission of peace from the King of France to the *unapproachable* Chinese, and his own plans tended to the realization of the good prospects it opened. The voyage has, indeed, been entirely lost sight of by the French, as it escaped even the industry of Sir John Barrow, while, although not unknown to Sir John Davis, this eminent person does not seem to have taken a proper estimate of its historical value, or of its bearing upon the great question of peaceful intercourse with all China, and specially the persecuted Cantonese.

The war with China, and the terrible events come upon us in India, proclaim how essentially the system advocated by such men as Paterson, differs in character and results from the system of aggression from the Himalayas to Japan, into which many would plunge us for another 150 years, in breach of every duty. It is forgotten, that what is gained by the undue exercise of power, is so much lost in moral influences; and that victory has no value unless the strong can afford to be generous, securing obedience no less by the vindicated justice of their cause than by the superiority of their arms. Wars for mere aggrandisement after inflicting wrong and mortification, and often ruin, upon the subdued, rouse bitter and lasting enmities. Free and legitimate commerce, never to be interrupted but by wars of defence, multiplies and

perpetuates mutually beneficial relations. In China v have but begun the evil system of aggression, who peaceful and profitable commerce is at our comman In India we have before us the formidable task quitting grievous errors without sacrificing vast interest native and British, which have grown up with mar advantages, upon the ruins of earlier rulers, whose got acts we must eclipse, not rival their crimes.

The magnitude of the work is not a legitimate obje tion to our making proper efforts to revive genuir British policy abroad. We have done as great thing before, safely. Liberty was our ancient claim; but i the 16th and 17th centuries prerogative almost crushe it. The contest was long and fierce before right pr vailed; when, at the close of the contest in 1688, tl most zealous friends of absolute sovereigns joined tl popular cause even in a revolution, to revive libert So free trade was of old our rule of life; but for 20 years gigantic monopolies prevailed; yet we have revive free trade in defiance of them. So, to have the best me in the public service has for 500 years been our expre law, but the statute had been completely forgotten : well as violated with impunity. Nevertheless, at the moment, we are effectually reviving its principle, and a likely to give sincere obedience to its wise injunction It is favourable to a good result in the present cris that great statesmen have supported a policy diamet

cally opposed to aggressions calculated to cause these disasters; and that the intelligent and experienced founder of the best parts of our financial system, deliberately traced out commercial plans of peace more profitable, more innocent, and more glorious, than the most successful wars for conquest.

It may then be our happiness to find in these Indian events the occasion of a solemn inquest into our Eastern policy; and so to improve it as to exhibit in a future bold career, the grand, humane principles which alone lead nations to true honour and lasting greatness.

The second volume of this work, besides the rest of Paterson's chief writings and an explanatory appendix, contains biographical notices of some of his cotemporaries, connected with him either personally, or by the character of their opinions. Some of these are— Paul Daranda, his friend, the eninent merchant of London; Sir Robert Davers, a rich Barbadoes planter, and more than twenty years, as a county member of the House of Commons, his warm supporter; the Brodericks, who were also members of the House of Commons, and eminent men; Fletcher of Saltoun; Baillie of Jerviswood; and the remarkable Principal of the University of Glasgow—Dunlop. Among historical personages, the ill-used Sir H. Morgan, John Law, Dampier and Defoe, may, with propriety, have the like prominent notice in illustration of Paterson's career; and his family

### PREFACE.

name furnishes individuals whose various qualities exhibited at home and abroad, and proving him to belong to a race at once energetic and ingenious, deserve the like record.

Although, too, during the last years of his struggle for justice, he was chiefly a laborious writer, exposed to the ills of unmerited poverty, and therefore refused the satisfaction of taking part personally in social move ments, and although it is said that he was reduced to teach mathematics and book-keeping, after contributing to the guidance of national policy, nevertheless, when in 1715, Parliament indemnified him, his name reappear with various indications of his having recovered his original station; and enough is ascertained of his career and character to place him high among our public worthies.

The fine eulogy, indeed, inscribed upon the engravings of Sir Joshua Reynolds' portrait of Paterson's relative, John, then Chairman of the Committee of Way and Means in the House of Commons, and Garrick' executor, may be applied with greater propriety to the subject of these volumes:—

"His life was gentle, and the elements

So mixed in him, that nature might stand up

And say to all the world, This was a man!"

Julius Casar.

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# PATERSON ON THE UNION OF 1706.

Paterson's writings upon the Union of England and Scotland in the reign of Queen Anne, are a material portion of the proceedings belonging to that successful measure. The absolute oblivion of those writings illustrates the fact, that a very large amount of our best history is still unknown to historians.

The last act of the independent parliament of Scotland, before its union with the parliament of England, was to declare, by a unanimous vote, that the services of "William Paterson, Esq.," in regard to that union, deserved a great reward. To secure such reward, they formally recommended him on this account to the consideration of the Government of Queen Anne.

This capital fact stands on the highest record.\* It is also so stated by Defoe, in his "History of the Union.";

Afterwards, when Paterson's claim of a sum of money was before the Exchequer in Scotland, that Court, in its judgment favouring the claim, bore witness strongly to his merits at the Union, as well as in other public affairs.

By what most active exertion he promoted the measure, is now well known. His conversation with King William on the subject, shortly before his Majesty's death, was effectual.‡

<sup>\* &</sup>quot;Acts of the Scottish Parliament." Folio. Vol. xi. p. 156.

<sup>†</sup> Defoe's "History of the Union." Folio Edition of 1709. p. 241.

<sup>†</sup> This conversation is recorded in a letter to the Lord Treasurer from Paterson, published in Boyer's "Political State" for 1711. Paterson republished that letter in 1717, in his "Wednesday Club Dialogues." Vol. II., pp. 78, 79 of the present work.

The Dialogues on the Union were published early in 1706. He was then employed in London by the Commissioners of the Union Treaty, to settle the public accounts connected with the financial incidents to the Union. For the same purpose, he was sent to Edinburgh, which mission was preceded by the following characteristic letter not addressed; but probably written to the Lord Treasurer Godolphin.

Windsor, August 24th, 1706.

Some weeks before the signing of the late Treaty, several of the Lords Commissioners of both nations, signified their inclination to have me go down to Scotland, in order to give further assistance in the Union, particularly in the matters relating to the Indian and African Company there; the aims and applications of the equivalent; and generally in what might relate to trade, or the public revenues;—which they seemed to apprehend might not otherwise be so well understood.

Those lords afterwards told me your lordship had moved in it, and approved thereof; and readily inclined to give me the need-

ful encouragement and support.

And since I had already done my best in promoting the Union, and with a success even beyond my hope, I was willing to engage myself in this further step; and the rather because I had reason to doubt whether some things of the greatest consequence could

be so well done without my assistance.

The mistakes and misfortunes of that country usually happen from misunderstandings, or want of proper information; and the people having had no experience, nor any tolerable idea of the matters of trade, and public revenues, upon which one way or other the main hinges of the Treaty depend,—if care be not taken, they might upon this occasion make some slips, or commit some errors, not easy to be rectified.

I cannot but think, that with any tolerable management, the Treaty in general may be carried in Scotland without so much struggle as some people apprehend; but amendments, restrictions, exceptions, reservations, and such sort of things, we must expect to encounter; and they may be of such a nature as to multiply

one another, and so bring all into confusion.

The great cry is like to be against surrendering their Parliament, and giving up their Constitution, as they call it; and, therefore, they will pretend to reserve their Parliament and the meeting of their estates after the Union. Although any one who

but tolerably understands the Union may easily perceive this to be nonsense, and consequently think there can be no great matter in it,—yet, nonsense as it is, if it be not taken care of, it may spoil, or at least very much prejudice the Union. In this and in all such cases, it ought to be considered that it is not by sense, but by nonsense and clamour, that good things are spoiled, or hindered from having their effect.

It is likewise probable that such may be found as may insist that the Indian and African Company of that kingdom, paying the same duties, may, during the time of their continuance, subsist after the Union; and such reasons, or pretended reasons, may possibly be given for this as may make it prevail in a violent manner; and what unhappy effects that may have, I refer to con-

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m sider}$ ation.

Those, and some other things I have in view, may possibly give umbrage at the Treaty in Scotland; and had I gone down a month or five weeks ago, (as it seems great numbers of my friends both here and there expected,) I should have hoped by this time to have been able to have made considerable steps towards a turn

of those, and the like mistakes and prejudices.

I know what care was taken in the matter of the equivalent, which although appropriated to particular uses, yet it should be wholly in the administration and disposal of the Queen; by which means I hoped it might be so applied as not only to answer the ends proposed by the Treaty, but so as to bring that nation into a wished-for temper, both at the confirming, and afterwards in the exercise of the Union. This I humbly conceive to be of the greatest consequence; since, if care be not taken, instead of good, the equivalent may turn to very bad account; one half of it may be wasted, and the other prove a means of animosities and distractions, instead of quiet and ease, as intended; and this can never happen so much by any other means, as by cold, negligent, or dilatory proceedings from hence.

There are some plain and popular things, which should, in this Session of Parliament in Scotland, be done towards the encouragement of their trade, manufactures, and fisheries; the very moving in which will give great satisfaction to that people: but of those I shall speak to my Lord Commissioner, and those joined with him in the Administration, if I go down. The things I design to concern myself in shall be such as, when rightly stated, will appear so plain and popular as I hope shall leave no room for any party to have avowed motives to oppose; and as to whispers, I

despise them.

Thus I thought myself bound in duty to give your lordship these hints, since the matter is now wholly in your hand and province; the which had been done before, had not my unwillingness to recommend myself, or anything wherein I might have been concerned (especially to your lordship, who I hope does not need solicitation from me or my account), prevented it. Besides, I did not doubt but some of the Lords Commissioners might fully have represented the matter, and the want of speedy care thereon.

Before and since the signing of the Treaty, I thought to have done a paper for purposes demonstrating the reasonableness and advantages of the Uniou; and exposing the several ignorant scruples and cavils made against it, but I question now if time will permit; but I still design it.—(British Museum, Additional

MSS., No. 4620.)

Paterson was hereupon sent to Edinburgh by the Government, on the business of the Union; and appointed, in a commission with Drs. Gregory and Bower, to examine the public accounts. He at that time wrote the five letters, and the statement on revenue, here published from a manuscript preserved in the British Museum.

This MS. consists of an address to him from Mr. James Dupré, with Paterson's letters and the statement; all of extreme interest.

Mr. James Dupré's letter is as follows:-

# To William Paterson, Esq., my most honoured and worthy Master.

Sir,—These treatises, which you composed at the time the Union was passing in the Parliament of Scotland, produced three good effects:—

1. They cleared the understanding of some dubious, though well-meaning people, who were misinformed, deluded, and carried away by the surmises of scribblers, making it their business to perplex, and, if possible, cause the Union to shipwreck in the very harbour where, in all appearance, it ought to have been protected.

2nd. They strengthened and confirmed those who, though thoroughly convinced of the advantages thereof, seemed intimidated by the noisy opposition of disaffected people.

3rd. And they bore such weight with the Committees appointed to examine the several matters referred to them, that we

may without flattery say, that they were the compass the Com-

mittees steered by.

Some motives you had for not publishing them at that juncture, and your modesty, I suppose, hath hindered you from publishing them since. This hath obliged me to beg leave to put them in your library, that they may remain a monument to posterity, of your indefatigable endeavours to promote so great and glorious a work as the Union of these two kingdoms, for a century attempted without success.

Upon your other endeavours,\* which have so much contributed to carry that blessed work to a good conclusion, I shall not enter, by reason of my little ability, and because none know better than yourself what you have done towards it, so none other is capable of doing it effectually. This I hope you may some time undertake, that posterity may know who was the instrument, under God, capable of unravelling and afterwards uniting so confused a heap of private and opposite interests as here appears.

That it may please Almighty God to pour on you a shower of His most precious blessings, preserve you long in health for the good of the public, to whom you seem to have devoted all your studies and your cares—during this life—and in the life to come crown you with eternal glory, are the prayers daily offered to

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Most honoured Sir.

Your most humble and most dutiful servant,

JAMES DUPRE.

16 September, 1708.

The letters and statements are these, given by Mr. Dupré as— "Two Treatises relating to the Union of the Two Kingdoms of England and Scotland, written by William Paterson, Esq., at the time the Union was passing in the Parliament of Scotland—transcribed, London, 1708."

#### FIRST LETTER.

Sir,—By yours of the 3rd instant I am advised, you had maturely considered what hath been lately said, or wrote, about the new Leagues or Confederacies which some have proposed to be

<sup>\*</sup> Of those other endeavours the chief may be held to be, the "Wednesday Club Dialogues on the Union," in the first volume of this work.

made, between the two nations, instead of a more compleat Union. And I find them as inconsistent one with another, as with the common welfare; but that, however, you find still, several of your friends inclinable to a middle way between a Confederacy and a compleat Union; viz., the settling the succession with limitations and restrictions upon the Prince, and terms and conditions with England. For a better idea thereof you refer me to a pamphlet intituled, "An Essay upon the Union, &c."

Upon your recommendation I have considered that paper possibly more than the author did, either before, or, may be, since he

wrote it:-

1. Because in his very title-page he affirms, "that the subjects of both nations have by the Union of the Crowns been justly entitled to all manner of privileges, and therefore the work of the treaty with England is not so much to give new privileges as to provide for the security of the old ones.

2. "That the best security against encroachments on both sides is to have separate Parliaments, with an express proviso that no laws about trade, or the common concerns of both nations,

should be of force, unless agreed to by both Parliaments."

But he is not pleased to tell us in his book when the privileges he speaks of were in practice, how long they continued, or what benefit this nation in particular hath had by them, and how they

come to be taken away.

It's true, if England had been subjected to Scotland, or Scotland to England by the accession of King James VI. to that crown; or if he had been an absolute sovereign, without dependence on the laws or Parliament of either nation, as the flatterers of that time endeavoured to make him, and his son after him, believe,—this our author's assertion might be well founded; since in such a case an ediet or ordinance from him had effectually united or annexed the two nations without the trouble or work of a treaty.

But the times since having sufficiently convinced us that the Governments of these nations are quite otherwise, viz., not of a King or Queen only, but of a King or Queen and Parliament, it naturally follows that, notwithstanding whatever hath been said or thought of the name of sovereign or sovereignty, yet we are certainly not under one Government (the thing meant by the Union) until represented in one Parliament. And this was the unanimous sense of the Estates of Scotland at the late revolution, as appears by their letter of the 24th of April, 1689.

I doubt not but you are so well versed in the history of those times as to know, that during the reign of King James, and the most part of that of his son King Charles, the ill effects of this loose and irregular tie of the union of the Crowns, did not openly

appear; principally because during all that time they governed as absolute in Scotland and Ireland, and but too much endeavoured in England, which was the chief occasion of the fatal troubles that ensued, and broke out openly about the year 1640.

Besides, the Crown of England was not only nationally, but really more independent of Parliament than now it is, as having hereditary revenues near, if not quite sufficient for its ordinary support; whereas, those being now embezzled or alienated, the Crown is wholly supported by voluntary supplies from the people in Parliament.

The customs, and other impositions of foreign trade, did not exceed forty or fifty thousand pounds per annum, whereas now they amount to thirteen or fourteen hundred thousand pounds per annum, even during this time of war, but to considerably more in a time of peace.

The western plantations, from whence England hath now its great support, were then few, and inconsiderable; and those a

burthen without advantage.

As the privileges our author asserts were inconsiderable, with this still more than half divided state of the two nations, so I find nothing of it in practice; for the Commissioners appointed in the year 1604, did not so much as treat of a Union, they only agreed upon abolishing all hostile laws, and the memory of the hostilities on the borders, which I hope nobody intends to renew. In the second place, they agreed upon a reciprocal naturalization of the subjects of both kingdoms; and thirdly, upon a communication of trade and mutual commerce. But this last was clogged with so many perplexities, restraints, impositions, and exclusions, that I doubt if our author, or any one who reads that treaty, can well tell what to make of it: only it is plain from the whole course thereof, that they understood the two nations not to be one, but still two. And the many prohibitive and negative laws these kingdoms have since passed upon one another, are sufficient to convince us, that nothing was less intended than the Union.

Here I cannot but take notice of one fundamental mistake which most of the writers and book-makers on the subject of a Union have fallen into: which is, about the nature of the naturalization allowed by the opinion of the judges of England in the case of

Calvin, or to Scottish-men born after the accession.

They having commented upon it as if it related, or could relate to Scottish-men inhabiting or being in Scotland; whereas it is plain to every one who reads the case, that it related only to Scottish-men inhabiting or having land, or other effects in England.

This was only a question in the English law, which, to their prejudice, hath always been too nice in the matter of naturalization; and hath no regard to the territories of Scotland, or the good of it. Nor indeed could the judges, or even the Parliament, pretend to give the rights of subjects to a dominion or territory, which at least at that time, and still, disown subjection to them.

From these, and the like causes and considerations, it was that the Long Parliament and Cromwell, even after they had subdued Scotland by force of arms, found that they could not so well maintain them without an equal communication of trade and all other privileges, and consequently that of government. That was the only consistent and complete Union, which they accordingly made, conformable to the scheme of Government by them set on foot.

But by the restoration, the legislative powers of the two nations being again divided, everyone knows, and this nation now sensibly feels, what it met with during that reign, and ever since,

for want of a complete Union.

By these and the like facts, we may see how far mistaken our author is to assert things in his very title-page, which neither have had, nor (as matters stand) can really have, a being without an Union in fact as well as in name.

Upon due examination, his position in his title-page will be found as groundless as his assertion, since separate parliaments are really separate governments; and to propose two parliaments with equal power, would be to divest the Queen of the Royal Majesty, and to place it in two parliaments, dividing these nations still more fatally than they have hitherto been divided.

But to go a little further; suppose his two parliaments, at 300 miles distance, should come to misunderstand one another, or disagree; pray who should be the umpire? If he allows an umpire, that is, the sovereign and legislator: so that, consider it as we will, it carries us still to distraction; since, instead of a more complete union, we should thereby not only have one less complete, than, blessed be God! we have already, but a monstrous sort of business with two bodies; though, as yet, our author, and others who are for dividing these nations, under the specious and popular pretence of a Union, pretend but one head. But if once matters were to their minds, they would, doubtless, soon favour us with another.

It's true, he covers this his design with the poor pretence, that this equal power of his parliaments shall only be in things relating to trade, or the common concern of the two nations. But who knows not that there neither is, nor, indeed, in such a state could be, any law of consequence which would not one way or other

be understood or construed to relate to trade or the common concerns of the two nations?

Having past from the title to the book, you will find it such a heap of raw, ill-founded, contradictory notions, as that no man can possibly tell what to make of it: but that only, if anything worth notice may be gathered, it might be comprised in fewer

lines than he has given us pages.

Wherefore if you consider it worth your while to consider the author, be but at the pains to abstract him, and by comparing his assertions and positions, you will easily find his pamphlet to be another edition of the "Federal Union;" his assertions to be ill founded, his positions wild and inconsistent; and during all the course of his long paper, --- angry, humoursome, and consequently void of a Union spirit.

I cannot conclude this letter without taking notice of another book, which was some years ago published in England and Ireland; and is latterly reprinted here, and promoted (as is said by some who are against it, or, at least, doubtful of the Union), which is entitled "The Case of Ireland," by Molineux.

If this be their design with this book, I wish them leisure to think better of it; since thereby they will find that the desire of Mr. Molineux, and the body of all the Protestants in Ireland, is not further to separate, but, if possible, to have a nearer Union with England; that so as they are the same subjects, they may have the same privileges; or, if that cannot be obtained, at least that laws may not be put upon them without the concurrence of their representatives in Parliament, under pretence of being a conquered country.

For, although Ireland be not so united with England as it might, and it is hoped one day will be, yet have they much greater privileges in trade than the inhabitants of this kingdom; particularly access to the English plantations with their own men and shipping, provided that they touch in England; with others that might be mentioned. With the sweets thereof they are so far

from being out of love, that they still desire more.

We find them not complaining of their courts being in England, nor of the last resort of their lawsuits there; but, on the contrary, desiring nothing more but that England would grant them a representative in its Parliament; and, consequently, the other

common privileges of the subjects of England.

And herein it may be observed that the vast difference betwixt the sense of the Protestants' interests in Ireland, and that of the present scribblers against the Union. Those believe a more complete communication of government, trade, and privileges, would increase and surely merits another sort of regard than the instances given

by our author, or those from less authentic books.

It's for this, and only this kind of Union, those who are for the peace and prosperity of Britain seek and pray; whilst such as are otherwise minded seek to avoid it, by slipping in some wedge or other impediment, to hinder the two sticks from becoming one.

I remember you once told me, that you could not endure to read a book or pamphlet twice over; but certainly, the right way to see whether an author hath anything worthy of that name, is first to see if he can bear a second reading; or, if voluminous, an abridgment, by which it will best appear whether the subjects be valuable, or consistent with true facts and sound reason.

I therefore recommend this method to you, as having found it

profitable to myself, and remain, &c.

Edinburgh, 19th September, 1706.

### THIRD LETTER.

Sir,—By yours of the 24th you tell me, you have read and perused my letter, and compared the queries with the book of "Considerations on the Union," and find them not only native enough, but think that more of a like nature might be made; that having of late spent much time in perusing such books and papers as you could procure relating to the Union, you likewise endeavoured to inform yourself of the most knowing persons about the thing; but still finding yourself and them much in the dark, for want of the knowledge of the matters of fact relating to the case,—therefore, laying aside the books, you have drawn the most considerable objections or doubts usually made to the Union, to which you desire my answer or return.

1. It is said, Wales hath been much ruined and drained of its

people and wealth, by its Union with England.

Certainly nothing can be more groundless than this assertion, though published in print; and, accordingly, it hath been sufficiently derided by such of the gentlemen of Wales as have heard it, the contrary being evident over the face of that country; and as a manifest proof thereof, Wales, including Monmouthshire, (although very easy in the assessment,) pays more to the land-tax than the whole kingdom of Scotland is obliged unto, by the treaty. In short, though they have hardly one good harbour, yet they have more shipping, and consequently more foreign trade than this whole nation; and all this, though Wales was searcely one quarter part so considerable as Scotland at the accession.

2. You say, "It is likewise pretended by some, that the northern counties of England are not in a better condition than Scotland, notwithstanding their Union with the more southern parts thereof."

It is a sign those who assert this have never been in England; since they could not pass the borders without seeing a palpable difference. That though, generally, the English soil about the borders be not so good, yet it is better peopled, cultivated, and ordered.

And though the six northern counties be easier taxed than any part of England, yet do they contribute about three times as much to the assessment on land as this kingdom is obliged to by the treaty. And I refer it to the curious, to inquire whether the six northern counties of England together, were as considerable as this kingdom was at the time of the union of the two Crowns; as likewise, whether any man in Scotland believes there is, or ever was, an opinion in those countries that it would be better for them to be separated from the rest of England?

3. You say, "It is affirmed by some, that the western plantations and English factories in Africa are rather a burthen and loss than any profit to England, and therefore it will be impossible

for Scotland to get by them when in an united state."

This assertion is of a piece with the rest, since it is manifest those plantations and factories, as matters now stand, are the main support of England; and what enables that nation to make that figure in the world it now doth.

The English employ at least two-thirds of the shipping thither; and have about the same proportion of their revenue of customs from the returns from thence; besides this, their interest there is

capable of vast improvements.

4. You tell me, "It is pretended the price of corn, wool, and other native commodities, and consequently the rents on land, will be in danger of falling by the Union; since it will thereby be

still the more drained of its people and money."

If it be considered, that, besides the great consumption of corn by the increase of shipping, and by the exportation thereof, by drawbacks and other encouragements, we shall find that the demand for corn will be much greater than it now is, and consequently the price must rise instead of falling by the Union.

Likewise the woollen manufactures of this country must needs be doubled or trebled, as well by the consumption at home, as by the open door which the Union will make for their vent abroad, not only to the western plantations and Africa, but to Spain, the Straits, and other places.

The demand for our linen cloth, cattle, and other products, by

reason of the discharge of the great impositions now upon them; as also by the opportunity of sending them directly abroad, will be heightened in their price, and consequently very much improved and augmented.

And if to this we add the progress that may be made in the fisheries and manufactures and products, now little if at all minded, it will plainly appear the Union will have quite contrary

effects than is feared by our doubtful men.

I am of opinion our expenses at Court, all things considered, will after the Union hardly be more, possibly less, than now. But allowing it were more, people and money will naturally flow in from the free and open trade faster than we can now pretend to, by which this expense, if any such there be, will be

much more than compensated.

Objections and surmises about the course of trade are equally made by those who are doubtful of the Union in both nations. Those of England say the Union will carry the people and trade to Scotland; some from hence pretend it will have a contrary effect. All which proceeds from blind suspicions, rather than reason; for there is no doubt but the trade and people of both nations will be much increased and improved by the Union, as will easily appear to those who will coolly inform themselves of the present state thereof, and of its natural consequences. But the effects will soon show that the doubts raised by scrupulous people on both sides have been groundless; to which effects I refer them.

In the meantime, I cannot but think it strange, that after this nation hath for more than an age together so much suffered for want of a due communication, and equal protection and support of its trade, as to sink it at least two-thirds of its value, as compared with its neighbouring counties of England—and the sense all our most thinking people have constantly had of this—any should be found to doubt of the advantage thereof, now it comes to be offered.

After this you ask—"How this nation shall be capable of bearing the proportion of the present taxes of England in case of an Union?"

To which I answer—that by the treaty this nation is only to pay forty-eight thousand pounds, or eight months' assessment, when England contributes four shillings in the pound, or about two millions on lands. And England never did, and it's hoped never will, pay more; and that only during the time of war, for they need pay none in time of peace.

The malt-tax of sixpence per bushel English, or two shillings per boll our measure, is only granted from year to year, and can-

not be chargeable upon this nation till two years hence. And after the year 1710, when more than double its value will be cleared in the funds of the Customs and Excise, commonly called the general mortgage; this tax need not be levied even in a time of war, and not at all in a time of peace.

The malt-tax brings only in about five hundred and fifty pounds per annum, although it hath sometimes been given in for

more.

By the treaty there is a forbearance of the whole salt duty of three shillings and fourpence per bushel (which, if the measure and statements be reckoned, will be somewhat less than ten shillings here) for seven years after the commencement of the Union; but about one-third part thereof determines on the 1st of August, 1710. Besides, it is probable this whole duty will be taken off, or altered, at or before that time, since it need not be imposed after the determination of the general mortgage, or the end of the war. This duty brings in but one hundred and eighty thousand pounds per annum.

As to the Customs and Excise on liquors, the augmentations on them will chiefly proceed from the increase of trade and consumption; and, therefore, cannot properly come under the name of new

and additional impositions.

Besides this, this nation is not made chargeable with any other duty; so that, with good management of the revenues, it will, upon the whole, be really easier in its taxes after the Union than now, taking times of peace and war together.

To your second query—" How the present Church Government

of this nation can be secured after the Union?"

I reply—The Church Government of both kingdoms were by the respective acts of Parliament (to enable Her Majesty to name commissioners) excepted out of the treaty of Union, and doubtless will be reserved in the most effectual terms at the confirmation thereof by the several Parliaments. And so as those who are members of such of the churches as are in authority or exercise at the place of their habitation or residence will have equal privileges in the kingdom of Great Britain.

To your third query—"Why the whole kingdom of Scotland is allowed 45, when the only county of Cornwall will have 44 as representatives in the Commons' House of Parliament of

Britain?"

Those who speak on the part of England say—The reason why Cornwall hath now about five times the number in the representative it can claim by the proportion of taxes, is, because at and before the institution of this kind of Government, Cornwall was at least five or six times as wealthy and considerable in comparison

of the rest of England, when its now decayed boroughs were great and trading towns; and when it not only had no small part of the navigation of the Islands, but furnished all the known world with tin.

Therefore this inequality, which hath not been the effect of human councils, but rather comes from the course of trade and vicissitude of things, ought not to be given as an instance in the

present case.

They further say that, excepting only the county of Cornwall, Scotland is to have more representatives than any other part or

district of England.

For example: the five western counties (Cornwall included) have by their proportion in the land-tax, only a right to 53, but have 150; the six northern counties only to 38, but have 66; Wales (including Monmouthshire), only to 14, but have 27; Scotland only to 13, yet have 45 allowed by the treaty. From which and the like reasons, those who speak on the part of England conclude, that if there be any reason of complaint on the score of the representatives, it is not on the part of Scotland but of England; since Scotland, by the treaty, is allowed more than treble what they could pretend to by virtue of their proportion in the assessment of land.

To your fourth query, "How it comes this kingdom is allowed

so few Lords to sit in Parliament?"

They say that the number of 16 is to 184 Lords, as 45 to 513 Commons; that besides those 16 all the Lords of Scotland are, in everything except sitting in Parliament, Peers of Britain; and in rank before all others that shall be afterwards created; by which they will not only be entitled to the public offices, preferments, and other provisions; but by marriages and alliances be much more capable of raising and advancing their families, than they are, or can possibly be at present.

Besides which, the Queen is not limited from calling such others of the Peers of Scotland from time to time, as shall be capable of supporting the expense, and withall inclinable to

attend Her Majesty in her great council of Parliament.

Thus, when duly considered, the Peers of Scotland will really have more solid advantages by the Union than any other rank of

men in the island.

To a fifth query, which hath been made by some: "Why the English did not regulate the representation, and make it more equal to the public contributions among themselves?" they say that those present inequalities, which have proceeded from various causes in a long course of time, being now a part of their constitution, they think it dangerous to meddle with them; since in

touching those foundations, they might hazard the whole fabric, and by pulling out as it were but one pin, shake the whole superstructure, after which they cannot tell where it might end.

Besides that, the representatives, from what place soever they are sent, are still understood not to be for those places only as

abstractedly taken, but for all England.

Upon these and the like reasonings of those who speak on the

part of England, I cannot but observe—

1. That nothing can be more effectual an answer to the scruples raised by some, that 45 are too few to balance the English interest (as they term it), than this practice in their own Government. For if as a body politic, they think not fit to venture upon rectifying so visible a disproportion within their constitution, certainly they will be still more cautious in breaking in, or making the least infringement upon so solemn a thing as the Union when once concluded.

2. That it is but of late that people have been fond of sending many representatives to parliament. Formerly, several places in England have excused themselves from it, by reason of the trouble and expense; and no doubt, when things shall come upon a more regular foot, they will be ready to do it again; and we may venture to say, that since there have been prospects for particular men to make advantages of their seats in parliament, where one hath gained, at least ten families have been losers.

3. That I cannot possibly reconcile the opposite opinion of those who think the representatives allowed by the treaty to Scotland too few, with that of those who object that the Union will draw more people unto, and consequently occasion more expenses in England; since the more there are obliged to attend in the parliament of Britain from hence, certainly the more that expense must needs

be. I am, &c.

Edinburgh, 21th September, 1706.

### FOURTH LETTER.

SIR,—By yours of the 24th, in answer to mine of the 19th instant, you tell me, that having fully thought of what hath been said on the subject, upon the whole you begin to incline to believe that the ground of the scruples and objections made about the Union, are rather arguments for than reasons against it; and that the great warmth which some seem to have in promoting them, is a still further motive to incline you thereunto.

And since you see that the church government will really be more secure by the Union than it could possibly be without it;

and since you are informed the municipal laws, judicatures, and particular privileges of this nation are sufficiently reserved by the treaty, you see no material difficulty.

But, however, at the instance of several of your friends, who

desire to be informed, you have sent me two other queries.

1. "Whether the privileges of the Parliaments or Estates of this kingdom, may not still subsist after the Union, for transacting

things not inconsistent therewith?"

I answer: By the Union the whole island will be represented by the parliament of Great Britain; in which, whatsoever places the members may be sent from, it will still be understood to be, not for a part, but for the whole kingdom of Great Britain; in which new laws will not be made without the consent and concurrence of the subjects in general, but particularly of those who may be, in property or otherwise, more nearly concerned than others. Therefore, I cannot see of what use such a reservatiou could be, but rather doubt it would be a prejudice; for certainly anything that shall but seem to give umbrage to, or interfere with, the desired harmony of Britain when united, can only be a let to the satisfaction and happy fruits expected from the glorious Union.

Besides, as I understand it, by the treaty there is no negative put upon either part of the constitution of either nation; the which, when rightly considered, will rather be strengthened and corroborated than prejudiced by the Union.

2. "Whether the privileges of the Indian and African Company of this kingdom (excepting only their exemption from duties

and impositions) may not be reserved.

To this I reply, that the privileges of this Company were proposed, and made suitable to the state this nation was in without an Union with England; in which case they were proposed to be as great and strong as they could possibly be procured, considering the weak, or rather want of, Government in the nation. Notwith-standing all that we have seen, this Company fails in its attempts for want of sufficient support and protection. But since by the Union, Britain will become a formidable Government, its business and care will be effectually to support and encourage its subjects in their designs both at home and in foreign trade; to which monopolies, and exclusive and distinct companies, instead of being a help, would, in such a state, be the greatest hindrance.

Exclusive companies, or monopolies, have by some nations been set up, in order to the beginning of new and difficult undertakings; but certainly this way of proceeding hath not been the best, it only having been taken by such Governments as would not be at the expense of premiums, drawbacks, funds of money, and revenues to support and encourage industry, which is the true and

best way to support trade in every country.

Holland is now freed from monopolies and exclusions; and England, which formerly had been very much pestered with them, hath almost taken them wholly off; and it is hoped will

entirely do it in a few years.

To their Western plantations (where the bulk of their trade lies) they have no companies. To Africa, Turkey, Muscovy, and Hamburg, they have only permission companies; that is to say, such companies as into which every subject may be admitted by paying of small sums, which are not divided among the members of these companies, but go towards the expense of forts, factories, ambassadors, agents, public presents, and the like; from the payment whereof it's not only worth nobody's while to be desired to be exempted, by reason of their being so inconsiderable, but the uses they are applied to are necessary to the support and subsistence of the respective trades.

So that in England there is only at present one exclusive company, viz., that to the East Indies, for about seven years to come; at the expiration of which time, this trade will doubtless be regulated, and put upon a like and suitable foot, with the rest of the branches of trade of England, since, as it now stands, it is a real prejudice to the nation in expense of bullion

for only a few trifles.

Besides, after all, these monopolists instead of profit, have not made half the interest of their capital stock advanced, and how much less could this company expect to make advantage of the returns from the East Indies to this place, where after having paid the same duties, they must expect to sell them at least at twenty or twenty-five per cent. less than they would yield in

London, which is the common mart or staple for them.

Certainly you and I have sufficient experience in the world to know, that private men or small societies have advantages in the management of their affairs, which it is impossible for great and unwieldly companies to attain to. They have more diligence, more secrecy, easier dispatch, and more unanimity, from which, and other reasons, they are always able to outdo companies when on an equal foot with them, to the value of five, ten, or fifteen per cent., and sometimes more. This is the reason why no great companies could ever be gainers, but by some monopoly, either of some place, or profitable community at home or abroad.

And thus you see it must be only for want of understanding the state of the trade of England, and, indeed, of trade in general, as it tends to the best advantage of a nation, that any can desire the continuance of our company, or of any other of that nature in this whole island after the Union. In such a state, it must not only tend to the obstruction and hindrance of trade, as universally taken, but by struggles and animosities about nothing, or things of little value, to put not only themselves, but with them the nation, together by the ears, as such who have struggled to get or to keep monopolies have usually done

wherever promoted or encouraged.

Although the keeping up of our company could not possibly prove of any benefit to its proprietors, but, contrariwise, be a certain hazard and loss, besides the needless umbrage it would give, yet will it, in the fruits of the Union, have had better success for the time than any other in Christendom: viz., a return of its capital stock advanced, with five per cent. interest, besides the honour of being the means of uniting this noble and famous island; and thereby being the means of introducing, not only its own members, but with them their whole country, into a free and open trade.

I doubt not but you will remember, that when we first proposed this company, the prospect of its being instrumental in bringing an Union was warm and sensible upon our spirits, as being the best and most desirable issue it could possibly have. Even the success we wished for, and sought in our attempts to Caledonia, could not possibly have terminated in more than this. And of this, our early sentiments and inclination, the motto of our company is, and will be, a standing monument, viz., Vis Unita Fortior.

In fine, as it is plain this company hath rather been calculated and fitted for and towards bringing a Union, than for subsisting in an ununited state, and since, if the Union had been brought about by good success in our attempt to Caledonia, we have reason to believe no good patriot would have been angry. It would certainly be strange to find any so, when even the miscarriage of that design hath contributed to the Union. I am, &c.

Edinburgh, the 8th October, 1706.

#### FIFTH LETTER.

Sir,—Since mine of the 8th, I have read and considered the articles of Union, now published by order of Parliament, from which I find myself the better enabled to give you some further sight in the particular advantages which will thereby accrue to this nation. By the Union we shall have a full and free communication of trade to England, and all its dominions and territories.

The demand and consumption of the linen manufactories thereof

will be doubled or trebled.

The coarse wool which hath hitherto been of little use, unless to furnish the common sorts of clothing at home, or exported abroad to be manufactured in other countries, may after the Union be all made up and wrought at home; since whatever we have thereof to spare, will be demanded by foreign markets, such as the West Indies, Africa, Spain, Portugal, the Straits, and the like.

The consumption, and consequently the values, of the corn and cattle of this kingdom will be greatly increased, not only from the further demand thereof, by the shipping employed in trade, and the better and comfortabler subsistence of our people at home, but since by the drawbacks and other encouragements now given in England, which after the Union will equally extend to Scotland, they, with the other native products will find easier, and consequently greater vent abroad.

The lands and products, particularly the mines and minerals of this country, will find other sert of cultivation and improve-

ment than they could possibly have without a Union.

The herring and white fisheries will be brought to the perfection

of which they are capable.

Such part of the royal navy of Britain as will be found necessary to have their stations, stores, and magazines, in the convenient places and ports of Scotland, will also very much contribute to the cultivation of money, increase of manufactures and people, and, consequently, the consumption of native products.

When those partition walls of different and interfering jurisdictions and humours, with the restraints and prohibitions, duties, and impositions, the consequences thereof, shall be taken away; and thereby an easy and uniform order and regulation be made in the trade and navigation, merchants and others will be thereby enabled and encouraged to come, or send their effects to this part of Britain, which from its being so long neglected or abandoned, is at present capable of most improvement.

And if a canal for water carriage can by the means of sluices be made between the Forth and the Clyde, this would not only be a great ease and conveniency to the trade of this end of Britain,

but generally to that of all this side of Europe.

Besides these and other the like general views, the great sums of money allowed to this part of Britain by way of equivalent for the debts of England, and otherwise, are such as will be capable of giving effectual life, support, and encouragement to all its improvements.

The first of these is a sum of £398,085 10s., which is to be granted to the Queen by the Parliament of England, at or before the completing the Union; and is to be applied to the payment

of the public debts of Scotland, and refunding the capital stock of the Indian and African Company, together with five per cent interest from the respective times of the advancement thereof.

Besides this sum of ready money, the others which are allowed

in the treaty consists in the following branches.

The equivalent of such of the debts of England as have not yet been charged on branches of the customs and excise, but will arise as they shall come to be charged, which I compute may amount to near, if not quite to £200,000.

The equivalent of the increase of the customs and excise to the 1st of August, 1710, being near eight-tenths of the customs; and about four-tenths of that of the excise; which I compute at about

£130,000.

The equivalent of the increase of the customs and excise, after the year 1710, being about one-seventeenth of the customs, and

six-tenths of the excise, may amount to £250,000.

Besides which, Her Majesty is graciously pleased to condescend, that such proportions of the increase of the customs and excise on liquors as otherwise ought to go to the maintenance of the civil list, navy, guards, and garrisons (being about two-tenths of the customs, and near four-tenths of the excise), till the 1st of August, 1710; and about sixteen-seventeenths of the customs and about four-tenths of the excise, from the said 1st of August, 1710, for the remainder of seven years after the commencement of the Union, shall be allowed and applied to the benefit of Scotland.

The which sums I compute at least at £300,000, even in a

time of war, but at considerably more in a time of peace.

Thus you see the sums allowed by the treaty to this nation consist in two parts:—the first being a sum of £398,085 10s, in ready money, which I reckon will be for the most part of it employed in the discharge of the debts of this nation, refunding the stock of the African and Indian Company with interest, and making good the loss of reducing our coin to the value and standard of England, so that little, if any of it, will remain to be applied to national improvements.

But the other sums, which are not in ready money, but to arise quarterly, or half yearly, consisting in the whole to £880,000 as I compute them (though I have reason to believe they may rather amount to more), are to be wholly employed for the encouragement of the fisheries, manufactures, and other improve-

ments of this part of Britain.

And although, as I said, these sums will not be ready money at the commencement of the Union, yet they will come in as fast as they can conveniently be laid out in the proposed national

improvements. And as they are to be under the care and direction of Her Majesty, and the inspection and control of Parliament, there is sufficient ground to hope, they will not only be faithfully applied to the public uses designed, but if anything more should be wanting, in order to make them effectually answer the proposed ends, it will be provided.

But to give some nearer view of the happy uses those sums may be employed in, and applied unto, I instance, that they will afford funds of at least £50,000 or £60,000, for fifteen or sixteen of the principal towns and places of this kingdom, towards the maintaining of public busses, and other fishing vessels, and utensils, national granaries, workhouses, and materials for employing and providing for the poor in their several districts.

And if to those funds should be added the present sums applied and appropriated towards the maintenance of the poor, together with public charities and donations, this may be capable of maintaining, and comfortably supporting, all the distressed families and persons of this nation; and yet, instead of being diminished, be

more than doubled in fifteen or twenty years.

To this stock might likewise be added a small tax of twelve pence in the pound, or 5 per cent., or such like of the value of all linen cloth, and other commodities vendable abroad, towards the having them inspected and directed, so as to be of equal and of regular breadths, lengths, weight, and goodness; the which is absolutely necessary, since it would exceedingly contribute towards

their encouragement and support at home.

Thus, sir, you see, besides all the other great advantages, the sums allowed to Scotland by this happy Union are such as may be sufficiently capable to enable it immediately to reap its fruits; and particularly to give such employment and support to its poor, as that none of them need for the future leave their country, nor perish at home for want, as too many thousands of them have, and still daily do. Besides, what I have hinted of the particular prospect this nation hath by the Union, many other might be added; but I shall refer them to another opportunity, and come to the mentioning of three of the many general advantages both these nations will naturally have by it.

1. The first of these is a national council of trade, for improvement of their manufactures, profitably employing their people, encouraging and extending their navigation; and, generally, whatever may relate to the advancement of their foreign trade

or industry at home.

2. The second is a fair and natural opportunity of forming a new book of rates, by which the duties and impositions on trade may not only be laid much more easy and equal in themselves,

but more by way of excise and on the consumption; and, consequently less on the industry, merchant, and navigation; and yet not lessen, but, on the whole, rather increase, the revenue.

3. The third is, the opportunity the Union will give for further,

and still much more, valuable acquisitions in America.

The late glorious successes of the arms of England (which, under God, is the head and life of the confederate interest in Christendom) hath during the time of this treaty been such as seems to leave nothing remaining so necessary to be done towards establishing its happiness as the good conclusion thereof.

Since it is an Union at home, and that only, which can make this island secure and comfortable in itself, and capable of improving its successes abroad, among which none are so considerable as those which he ready and open for it in the West Indies; since, by or before the conclusion of this war, we have now a fair opportunity, either by force or by treaty, to secure the Isthmus of America—of which Caledonia is only a part—together with Carthagena and the Havana, either as cautionary places till our expenses of the war shall be refunded, or otherwise, upon our own account.

By which keys of the Indies we may not only be enabled effectually to enlarge and secure our command of the sea, but improve our navigation and foreign trade to a height and pitch beyond what hath yet been conceived or apprehended in the world.

Hitherto it hath pleased God that such designs or endeavours as have been used this way should miscarry or be retarded. It may be not only because such acquisitions abroad were really unfit for a people divided at home, but as being too great and good to be the fruits and effects of anything less than an Union.

It would take a large volume to enumerate and explain the many and great advantages these nations will naturally have by an united state; but let these suffice till we have other and further

opportunities of enlarging.

And here I cannot but take notice of a remarkable story as we find it in Buchanan and several other historiaus in their account of the treaty and conclusion of the marriage of King James IV. with Margaret of England, from whom sprung the right of our king to the crown of England. As recorded in Drummond's History it is verbatim thus:—

"During the treaty of this marriage with Eagland, a monster of a new and strange shape was born in Scotland, near the city of Glasgow, the body of which, under the waist or middle, varied nothing from the common shape and proportion of other men, the members both for use and comeliness being two, and their faces looking one way. Sitting, they seemed two men to such who saw not the parts beneath; and standing, it could not be discerned to which of these two the bulks above the thighs and legs did appertain. They had differing passions, and divers wills, often chiding each other for disorders in their behaviour and actions, but, after much deliberation embracing that unto which they both consented. By the king's direction they were carefully brought up, and instructed in music and foreign languages. This monster lived twenty-eight years, and died when John Duke of Albany governed."

Although I be not very subject to make nice and superstitious observations, yet cannot I but think this monster to have been too near an emblem of the two nations, under this imperfect and partial Union, by which, although both the still more than half divided parts have extremely languished and suffered, yet this

kingdom, as the weakest, the most.

But it is now hoped the sense of the sad effects of a divided state for not a few ages, and of those of a partial or half united condition for more than a century past, will sufficiently incline

us of this nation to this happy Union.

We see the late glorious progress of the arms of England hath not in the least cooled, nor lessened the inclinations of that noble nation to this blessed work. But as generous minds become still more tractable and easy in prosperity, so we see them rather the more hearty and zealous in the midst of their successes, a suitable return to which will the more enable her Majesty, and incline that kingdom, not only the more cheerfully to comply in the things agreed on, but in what may be further requisite to answer all the wished for and happy ends of an entire Union.

I shall conclude this letter, with the Psalmist, in the 133rd, "Behold, how good and pleasant it is for brethren to dwell toge-

ther in unity." I am, &c.

Edinburgh, the 15th October, 1706.

A state of the Public Revenues and Debts of England, together with a scheme of the sums of money allowed to Scotland by the Treaty of Union, in name of equivalent.

Among other things misrepresented in a sheet of paper lately published here, intituled "An Essay on the Equivalent," the sum of £398,085 10s. allowed to this nation, as the consideration for the

proportions the present incomes of customs and excise in Scotland may contribute towards the appropriated branches of those of England, is pretended to be refunded to England, or rather to Britain, in about thirteen years after the Union.

The which assertion is founded on the grounded supposition that the full sums of £23,761 of the customs, and £20,936 in the excise, are continued for thirteen, or rather fourteen years;—whereas £21,981 of the customs, and £893 of the excise, fall or determine in a little more than three years after the 1st of May next; so that of this pretended yearly sum of £44,697, there will only after that time remain, £21,823.

Besides, this author makes not the least allowance of the first year, as is requisite, since the annuity of the first year becomes not payable till the commencement of the second year. He likewise showeth his want of skill in questions of compound interest, in working this rebate by way of addition and subtraction; the which ought more properly to have been done by multiplication and division, or by multiplication, in a way he seems not capable or at least unwilling to understand.

Thus the whole annuity of customs and excise, for three years and about three months after			
the 1st of May next, is	£44,697	0	0
From which, deducting the interest of the capital sum of £398,085 10s., being	23.885	5	7
The remainder of the annuity will be	£20,811	17	5
The increase whereof for the first, or rather for first and second year, is	42,872	10	0
the remainder will be	326,320 19,579		
The remainder of the annuity after three years and three months, is From which deduct the interest of £362,320 10s.	21,823	0	0
being	19,579	0	0
The remainder will then be but	£2,244	0	0

The amount	of	£2,244	is
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THE WHITE OF IC	~,~					
, 2 ye	ars	 	 	£4,622	0	0
4 ye	ars	 	 	£4,622 9,816	0	0
For the first $\begin{cases} 8 \text{ ye} \\ 16 \text{ ye} \end{cases}$	ars	 	 	$22,\!209$	0	0
16 ye	ars	 	 	57,609	0	0
\32 ye	ars	 	 	$203,\!956$	0	0
And in the 38th year	ır	 	 	$304,\!966$	0	0

The which sum, £304,966, being deducted from £326,320 10s. there will then remain the sum of £21,354 10s.; the which would be thereby discharged in about one year more.

To which adding the before three years and three months, it appears that a term of somewhat more than forty-one years will be required to discharge the said capital sum of £398,085 10s. at an annual rebate of 6 per cent. compound interest.

There is another pamphlet, intituled "Considerations with Relation to Trade," in which it is pretended that this sum of £398,085 10s. will be refunded to England in eleven years; because the author thereof founds his positions not only on the same kind of mistakes, but commits still greater errors; for after having allowed the full sum of £44,697 10s. to continue for the whole term as the other, he is pleased to allow the interest of the annuity, but not the interest of the capital; which, in his way of working, makes a difference of £94,585 in eleven, or rather thirteen years.

But laying aside the notions of these two calculators, who, if we may judge of them by their works, appear at least to have as much ill meaning as ignorance in their performance; it may be of use to such as desire to be duly informed, to give a fair state, not only of this sum of £398,085 10s., but likewise of the rest of the Equivalent allowed to this nation by the treaty of Union; together with the present state and future prospect of the public revenues of England, and of the anticipations thereupon; which have of late been so unfairly and frightfully represented by not a few.

The state of the English revenue given in at the treaty was taken at a medium of three years in a time of a heavy and ex-

pensive war, whereby the trade and consumption have been 80 depressed as to make the product of most of the home and foreign excises much less than in a time of peace, though the duties were considerably lower; and this depression, in France and Holland as well as in England, hath been found in few branches less, and in some more, than a full fourth part of the whole, both in the late and present war.

Thus the customs or foreign exeise of England, stated at a medium of three years, appeared to be £1,341,559; and the home excise on malt liquors, £947,602 per annum. Consequently the amount of both together was £2,289,161; and supposing only a fourth part added as the increase in a time of peace, they would amount to £2,861,451, or rather, near 3 millions.

But suppose—as has been computed by some of the most skilful in these matters—that the impositions on foreign trade, where found a discouragement to industry, were taken off; and with all such of them as remain made more easy to the merchant and navigator; certainly whatever small alterations there might happen before such new regulations come to be established, yet although in this case near if not quite one half of those duties, and the weight of imposing them were abated, what should hereby be lost in the hundred might be gained in the shire; and in a medium of four or five years they might still be capable of producing a revenue of one million, two hundred or three hundred thousand per annum.

And were the duties on malt and fruit liquors made and sold by the common brewer laid more easy and equal upon the several species thereof, so as to abate at least one-third of the uneasiness of their weight, it might, notwithstanding, reasonably amount to at least a fourth part more than as given in at the treaty, a appears by the practise of the excise for the last twenty years which would be one million, two hundred to three hundred thou sand per annum more.

Thus the customs and excise on liquors made and sold by the common brewers, would produce at least, communibus annis, two

illions and a half per annum; and yet be very easy to the - 🚬 ıbject.

Upon this annual sum of £2,500,000 per annum I shall thereore form my positions; and afterwards state the following accompt f the present debts of England, for which an equivalent is allowed by the treaty.

24

	by the treaty.			
1 21	In the excise till 1710	23,300,000 100,000 1,600,479 421,807 1,568,856 2,855,761 2,923,927	$\begin{array}{c} 0 \\ 7 \\ 0 \\ 8 \\ 16 \end{array}$	$\begin{array}{c} 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 2 \\ 6 \end{array}$
	$\overline{\operatorname{Total}}  \ldots  \overline{\mathbb{L}}$	2,770,832	9	8
1	Debts for which there is no equivalent:—			
*19817	The deficiencies on coals, 9 W	£16,000	0	0
11	2 sh. Aid. 11	12,733		8
- )	$\frac{2}{3}$ sh. Aid. 12	9,753		õ
	$\frac{2}{3}$ sh. Aid. 12 6 sh. Aid. 1 A	42,399		ŏ
271	Subsidy or capitation 1 A	17,384		7
#- 	N.B. These, or some part of these sums, may still come in and be discharged by the funds themselves; besides which there is a debenture debt  Such part of the debt due to the traders to India, as is charged on salt, computed after	960,000	0	0
	seven years to amount to	1,000,000	0	0
-	Of deficiencies which have been contracted during this reign	2,000,000	0	0
_	Household debt of the late king, &c.	400,000	0	0
Š.	The money which is supposed may be borrowed		-	U
	for the service of this running year, suppose,	2,600,000	0	0
l				

Debts of England from which the kingdom of Scotland is discharged by the treaty of Union:

Total ..£7,058,270 13

On the two branches of										
tax, about On the two branches of	the	salt	tax	•	• •		£700,000 600.000	0	0	
On coals and einders							400,000	0	0	
On the window tax		•							_	
			Tota	al		£	22,080,000	0	0	

Thus it appears that the debts for which this nation is, by the treaty, to have the sum of £398,085 10s. by way of equivalent, amount to about £12,770,832 9s. 8d.; and those for which there is as yet no fund settled, which immediately can affect this nation, and for which consequently the equivalent is not determined, to £7,058,270 13s. 3d.; in all, £19,829,103 2s. 11d.

And since the above sum or debt of £2,080,000 is charged on the new duties from which this nation is exempted by the treaty, we shall rest our position on a sum of 20 millions, as the utmost extent of such debts of England with which this kingdom can be affected.

Hence, suppose that £1,500,000 per annum, out of the revenue of customs and excise, was appropriated towards discharging of this debt at an interest of 5 per cent. per annum,—at which rate, or rather much under, by the good order of the revenue, the Government of England can certainly command any sums for which it will give such security.

Then deducting out of this sum of 20 millions the interest, being I million per annum, there would remain £500,000 per annum towards discharging the principal.

This in 2	years we	ould amount	t to	 	$\pm 1.025,000$
4	**		• • • •		2,155,000
8	**				4.854,500
$\frac{16}{22}$	,,	••		 	11,828,745
20)	11				90 715 935

Thus in 23 years the whole debt will be discharged, an £715,235 remain in each

But if this debt could be fixed on an interest of 4 per cent.,—no doubt by the good order of the revenue it might—this, with

ne exchequer payments which are monthly, might discharge it in bout 20 years.

Memorandum. There is £1,200,000 of this debt to the bank which is not redeemable until a year's notice after 1st of August, 710; and the proportion which is upon the salt, till three years after 29th September, 1711; the which hath been neglected as neonsiderable in this accompt, since the difference is much less than the sum which would remain in each after the discharge of the whole debt as stated.

After provision for the discharge of this debt, about one million per annum would remain towards the support of the civil government, maintenance of the navy, guards, and garrisons; and other public expenses in a time of peace, which may be computed in the whole at about two millions per annum. And so one million per annum would in this case be deficient; the which might be supplied by 2s. in the pound on land, till the debt, or a considerable part thereof, were discharged.

Besides, towards the civil governments and other public expenses, there would be about £200,000, or more, per annum on the post office, and other smaller branches of the revenue of the crown; the which would leave room for provision for the war, if need were, for at least one if not two years after the Union.

Thus it appears, that allowing all the new duties were laid aside, the ordinary revenue of customs and excise, together with the smaller branches of the hereditary and temporary revenue, and the single addition of 2s. in the pound on land, might be largely capable of discharging these debts of England in twenty years or a little more; and yet support the Government better than perhaps in any twenty years before.

It will appear plain to those who will be at the pains to inform themselves, that all this may be done by the good order and disposition of the before-mentioned revenues; besides the great advantages the Government of Britain would certainly find in such a fund of £1,500,000, which by the disposal thereof might naturally bring the interest of money to 4, and afterwards to 3 per cent. per

annum; as we see the like funds have in Genoa, Holland, and other places where they have been established. The which only benefit would bring at least double of the advantage of the value of this £1,500,000 per annum to the trade and property of Britain.

Moreover, it may be considered that this fund of £1,500,000 per annum, as it comes to sink the debt, would gradually leave room to anticipate, or take up more money upon the same foundation; and so it could be a better and more secure fund than so much value in ready money; and much more consistent with a free Government, which cannot, nor ought not, to intrust the public purse anywhere or otherwise than in the public hands.

Another sheet of paper hath lately been published, intituled "A Short View of our present Trade and Taxes, compared with what these Taxes may amount to after the Union, even though our Trade should not augment one Sixpence: with some Reasons why (if we enter in Union) our Trade should be under our own Regulations."

This author likewise makes it his business not only to disguise the truth, but to promote notorious mistakes. For instance: he says, there is an excise of brandy of £46 4s. per tun; and that 350 tuns are yearly imported into this kingdom (when allowed). And he therefore computes the amount of the duty on brandy at £16,170 per annum, without telling us fairly how the matter is; viz., that this duty on French brandy is of the same nature as that on French wines; designed for a prohibition in order to the encouraging of brandy and spirits made at home. So that it's a question if so much brandy as he mentions be now imported into England itself.

The same holds in the impositions he mentions on cider, mum, and other liquors: of which everybody knows England hath not only sufficiently for its own consumption, but a great deal to spare for exportation.

The duty on leather he mentions hath been expired many years, and not likely ever to be renewed.

By a loose computation, he makes the duty on salt, when im-

osed in Scotland, to amount to £50,000 per annum. Whereas hat duty even in England yields only about £180,000 per annum. and it will be hard to make out that Scotland, as matters stand, equires a twentieth part of the salt consumed in England. It's rue not half the salt, or perhaps a little more than one-third of he salt, consumed in England pays the duty; for in all these excise, especially when they are high, a great part of the impositions are avoided, and particularly when under collection; and to set such duties to farm would be an intolerable imposition on the public, and insupportable to individuals.

The malt-tax he also states as a continued duty, though it be only laid in a time of war; and possibly will not, at least in our time, be imposed in this nation (in case of an Union); and with so short and good an end of the present war, as the friends to peace have reason to hope for.

From the same wild and ill-founded notion of things, he states 6d. per bushel on malt in this nation at £75,000 per annum; whereas it brings only about £500,000 in England, where there is doubtless at least twenty times the malt consumed.

From the same ill-grounded suppositions, he makes his computations of the amount of the duties on malt liquors and other excises; and consequently they will be found to fall short in the same proportions.

In his computations of Customs, he neither makes allowance for the determination of 733 parts of 1000—or near three-fourths of the customs—three years after the Union; neither for what duties are laid on foreign growths and manufactures, in the nature of a prohibition towards encouraging those at home, or as a tax on luxury; nor for the alterations and regulations for the better in a new book of rates, which is designed and will be composed as soon as the nature of the thing will admit; especially for the benefit of North as well as South Britain, in case of an Union. Nor doth he consider that a great part of all customs and excise in collection, especially if they be high, are continually lost or smuggled.

For as the case stands, it's a question if half the customs in England—as laid—are collected; as appears by the balance of the exportations and importations taken at the custom-house of London, valued at 12 millions per annum at least, yet we find this pays only about £1,380,000, or  $11\frac{1}{2}$  per cent; though whoever inspects the present duties will find, that in nicety they ought to amount considerably above 20 per cent. of the value as taken in gross.

And reckoning the exportations and importations in Scotland at about £330,000 per annum, and the customs at £30,000 per annum, the imposition will be found about  $11\frac{1}{2}$  per cent. of the value, to whatever it may be in notion; yet possibly when inquired into, so much difference will not be found in the practise of the two nations in the customs on merchandises as some may imagine.

But to leave this and the like pamphlets, which have been published of late, in order to mislead people, and frighten them from the Union by monstrous and dismal stories, sometimes representing England as rich and powerful, and at others as sinking overpowered with debts, and suchlike inconsistencies; I shall conclude this paper by giving a state of the taxes as they possibly may arise in this nation after the Union, and of the several branches of the equivalent depending thereon.

The customs, as before stated, in a medium of the first seven years after the Union, computed at  The excise on malt liquors, as increased only somewhat more than one-third part by the	£70,000	0	0
consumption and demand of strong liquors, in all	53,500	0	0

#### OBSERVATIONS.

.. £123,500 0 0

Total of the customs and excise

The reasons why the customs, notwithstanding the expectation of the increase of foreign trade, are computed only at an advance of £10,000 per annum at a medium of the first seven years, are,

- 1. Because the coast and situation of this kingdom is such as may give great opportunities for concealments, frauds, and smugglings in the customs after the Union.
- 2. Because the drawbacks and allowances on fish and corn exported are like very much to prejudice the revenue of this part of Britain.
- 3. Because of the expectation of a new book of rates; and that the duties in this kingdom, and collection thereof, cannot possibly be sufficiently established in less than a course of some years after the Union.
- 4. Because being in collection, they must be expected at least a fourth part less than they might yield in farm wherein the taxmen are not only capable of keeping a stricter eye and hand over this matter than any Government, but likewise as preferring their own profit to the ease and conveniency of the subjects, of extorting at least a fourth part, if not a third, more than they can possibly come by collection.

From all these considerations, it is concluded that if the foreign trade of this part of Britain should be trebled in seven years, that yet the customs would hardly advance higher than this medium of £70,000 per annum.

The reason why, notwithstanding the expectation of the great increase and demand for strong liquors in Scotland after the Union, the excise on malt liquors is only supposed to advance £20,000 per annum in a like medium, are

- 1. Because the weight and inequality of the present excise duty on malt liquors in England gives great opportunities and temptations for frauds and concealments therein, in so much that, as hath been observed by some of the most knowing, at least one-third of the weight of the duty might be abated; and yet the regulation such, that the revenues so ordered should yield at least one full fourth part more.
- 2. Because by the custom and practise of the excise in England, two-thirds, if not three-fourths, of all at present brewed in Eng-

land will be charged only as small beer, which is above a third part less than it now pays.

3. Because this duty cannot also be expected to yield so much by at least a fourth part in collection as it might do in farm.

And from the customs in Scotland being stated at £70,000, and the excise on malt liquors at £53,000 in a medium of the first seven years, the remaining part of the equivalent, exclusive of the £398,085 10s. will fall thus, viz:—

The 35th part of £7,058, 270 of the debts of England, for which this nation hath as yet no stated equivalent £29,320, the equivalent proportion of the in-	£201,665	0	0
crease of the customs for three years and three months after the Union, being £2,360 per annum of the increase of customs	95,290	0	0
for 98 years, at 15 years and 3 months' purchase :	35,990	0	0
excise for 3 years and three months	1,755	0	0
£11,960 per annum for 95 years, at 15 years and 3 months' purchase	182,390	0	0
Total	£517,090	0	0

Allowed by her Majesty towards promoting and improving the trade, manufactories, and fisheries after the Union:—

£8,320 per annum of the increase of the			
customs for 7 years	£ $58,240$	0	0
£29,320 per annum, as above, for 3 years and	•		
9 months, after 1st August, 1710	109,950	0	0
£7,500 per annum, part of the increase of the			
excise, for 7 years	52,500	0	0
£540 per annum, as above, for 3 years and 9			
months after 1st day of August, 1710	2,025	0	0
months after 1st day of August, 1710 Total of the growing equivalent	517,090	0	0
m			
Total	£739,805	0	0

		• •		• •	æ, oe, oo	
To which adding the sum	of the	eaniva	lent	_եռ		
justed by the treaty of	Union,	being			398,085	10

The whole equivalent will be ..£1,137,890 10

These calculations are made from the supposition of the disadvantages the duties are like to encounter at the beginning. But by a full and well regulated trade, and good order of the taxes, the revenues, and consequently the proportion of the equivalent, may possibly be brought to amount to much more, and yet be easier to the subject.

By the exemptions from taxes in the treaty, the anticipations upon which amount to about £208,000, as above, there is at least £60,000 sunk or abated, which would otherwise have been allowed in the equivalent.

The drawbacks, or allowances, on the exportation of fish and corn, will probably prove a great prejudice to the revenue; and consequently to the equivalent. And if anything unreasonable, or as an encouragement to frauds, should pass or be suffered, it would much more prejudice the revenue and equivalent, than bring profit to anybody; for it's in the nature of all perplexed and unequal things, to waste much more in the ways of destruction, than possibly can be gathered by the gleaners from such heaps of confusion.

Thus it's not impossible that the allowances or drawbacks on fish and corn might be so stated, as that the first might amount to much more than the duty on all the foreign salt imported, and both together exceed the customs of this part of Britain; and yet in such case, as with Pharaoh's lean kine, it would not appear that private men had gotten a third part of what the public had lost.

And it's hereby referred to consideration, whether £100 laid out indifferently to promote the fisheries, may not give more real encouragement to the thing than three times so much allowed, or rather, wasted by way of drawback.

And whether a reasonable sum applied to promote trade and improvements, is not capable of doing more real good to a nation than much more abated in equal and easy taxes.

By the following state it will appear how small and inconsiderable the proportions of this nation will be in the contributions

towards supporting the civil Government, navy, guards, garrisons, and other public expenses during the time of peace, for at least seven years after the Union.

The expense of the civil Government of England in time of peace is about £700,000; to which this kingdom is by the treaty to contribute only,—

Out of the customs							£ $9,539$	0	0
Out of the excise							5,669		
By the crown rents,	post-	-offic	e, ar	d oth	ier si	nall			
branches, suppose		• •	• •	• •	• •	• •	10,000	0	0

Total . . . . . . £25,208 0 0

The which is only about a twenty-eighth part inclusive, or a twenty-ninth part of the annual sum for support of the Government, and of the charge of the navy, guards, and garrisons, and other public expenses.

excise	• •	• •	£ 3575 24,000	0	0
In the whole			207 575	Λ	

By unappropriated sums in the customs and

In the whole  $\dots$  £27,575 0 0

The which is only as one in forty-seven, or a forty-eighth part of the whole public expense.

This puts me in mind of the objections made against the whole equivalent at the time of the treaty.

- 1. They said the present debts of England were contracted towards the carrying on of two very expensive wars, not only in defence of England as abstractedly taken, but of the whole island. Therefore the preservation and future tranquillity ought to be reckoned at least an equivalent to Scotland, since, in procuring this, England only hath been at more than three times the expense and loss to the value of those debts.
- 2. By the communication of trade, this nation will not only be admitted into an equal share of the protection and support, but to that of the future advantages of all the valuable acquisitions of England; the which only ought to be reckoned much

more than an equivalent for the proportion Scotland can pretend to contribute to the present debts of England.

- 3. That by the communication of trade not only gives a share of their before-mentioned acquisitions, but leaves a certain loss by the fall of the duties imposed on the manufactures and produce of Scotland, which they reckon to amount to between £30,000 and £40,000 per annum.
- 4. That the Civil Government of Scotland, which now exhausts little less than £30,000 to £40,000 per annum, is like to require little less after the Union, since the constitution remains the same, save the expense of holding the Parliaments; in place of which several salaries and other expenses seem necessary to be augmented. This ought not to be reckoned in the share which Scotland provides for the public charge of Britain, since it is particular, and only relates to this part thereof, as abstractedly taken.
- 5. That a great part of the sums reckoned as a present debt on England, are not really exhausted, but remain in nearly three hundred sail of ships of war, great and small, with the proper stores belonging thereunto, besides the other national stock of England, into a proportion of all which Scotland will be admitted without contributing anything thereunto.

Omitting what may be further said of the weight and validity of those and the like reasons and objections, certainly they are sufficiently capable of exposing the malice and ignorance of those who pretend that Scotland gives a full equivalent in taxes and contributions for the sums of money allowed by the treaty of Union towards the advantage and benefit of this part of Britain.

In the meantime we may venture to affirm, besides the common and mutual advantages of security, peace, and plenty, which both parts of this island will equally have by the Union, and which are too considerable or honourable to be set at a price, the best reason that can really be given for appropriating the great sums of money allowed this nation in name of equivalent, is,—that since it is to be an Union, not only all other endeavours, but

likewise sufficient sums of national stock are requisite to recove this part of Britain from the low and distressed condition it reduced unto for want thereof.

- · This brings us naturally upon the application, wherein may be observed—
- 1. That the sums applied for refunding the African and India Company, and discharging the national debts of Scotland, will not only be a justice and benefit to the particular proprietors of thes sums, but a great and immediate advantage to all this part of Britain, by creating a present and considerable circulation and currency of ready money, so very much wanted at this time.
- 2. The other sums appropriated to the promoting of trade fisheries, manufactures, and improvements, may be applied to the best and most effectual purposes possibly ever any sum hath been in this island, by the following or like methods.

Supposing this part of Britain divided into fifteen or sixteen circles or districts, the centre whereof to be the principal and most conveniently-situated port or town in every such district; this function is capable of furnishing every such district with a stock of £50,000 or £60,000 at least; the which, although it cannot be all reckoner as ready money, yet would it come in near if not quite as fast a it could conveniently be laid out, in a space of seven or eight years after the Union; or, if there were occasion, anticipation might be made thereon at easy rates of interest.

And if these sums were added, the present or equivalent sum applied and appropriated towards the maintenance of the poor together with the public charities and donations; and a small im position of 5 per cent. on such manufactures of this nation as ar or can be made vendible abroad, towards the expense of having them inspected and directed as to be of equal and regular breadths lengths, weight, and goodness, so necessary for their encourage ment, credit, and support; I say those funds thus ordered migh not only be capable of comfortably supporting and maintaining all distressed persons and families in those respective districts, but

instead of being thereby diminished, be more than doubled in less than twenty years; and afterwards remain a growing and increasing fund to the support and benefit of posterity.

Since by this fund fishing vessels, and other utensils for and towards the support of the fisheries, might sufficiently be provided, maintained, and kept up;—national granaries for stores of corn, not only towards maintenance and relief of the poor, but in order to supporting its value at home, and facilitating its advantageous export abroad.

In fine, workhouses, and materials for employing and providing for the poor of this nation, so as in a few years to bring them into such a habit of industry as to render them capable—reekoning the weak with the strong—of contributing at least two-thirds of the value of their comfortable maintenance—whereas it's now a question if that mass of people earn anything near a third of their present livelihood; in which many thousands of the weaker sort of them do yearly perish for want, while the stronger and more able are compelled to abandon their country in order to their finding subsistence elsewhere.

Towards illustrating these general positions, many particulars might be added, the which are reserved to another occasion.

In the meantime, to conclude, each of those circles or divisions might be very well capable of maintaining 15 or 20 busses, or other fishing vessels, with the necessary utensils and persons depending thereon; have granaries where at least a thousand last of grain, reckoning one specie and season with another, might be reposited; by which they might have necessary stores of corn and fish for disposing to the public benefit, or otherwise distributing thereof towards the subsistence of those immediately under their care, or who want help in the respective habitations, through the extent of such circles or districts; besides all the other advantages too many to enumerate at this time.

The directors of those eircles or districts might, next to the care and protection of her Majesty and control of the parliament of

Britain, be under the particular inspection of a national council of trade, which, it is hoped, may be established as one of the good effects, and soon after the completing this happy Union.

At the conclusion of this paper, I could not but take notice, that only most of the things which have been alleged in this country, with regard to the present state of the debts, trade, and taxes of England, are untrue in fact, and the inferences and conclusions from them ill grounded.

No nation in the world either doth, or possibly ever did, pay so high taxes as the Hollanders; and yet no nation under heaven ever prospered so much in so few years as they have done under those taxes.

It is true their duties on export and import are easy, as they ought to be in all countries willing to thrive. But then their excises as taken together, are nearer three times than double as heavy as in England.

During this time of war they pay excise to at least the original value of all they eat and drink; above one-third of that of all they wear; and more than one full moiety, or above ten shillings in the pound of all the rents and incomes of their real and personal estates.

The single province of Holland owes about 400,000,000,000 of gilders, or 35,000,000 or 36,000,000 of pounds sterling, and the six provinces little less, if not more than the like sum. The which together amount to at least three times as much as the present debts of England; and it's referred to consideration, whether the seven united provinces together can be reckoned at much more than one-half of the value of this island.

Yet for all this, we find that where one Hollander transports himself to Scotland to avoid these taxes, at least twenty Scotlish me go to Holland, where they become liable to pay them.

This, with many other instances which might be given, sufficiently demonstrate that it is not by paying high taxes or contributions to the public, but rather by being out of the way, or not in the right course of gaining, that nations are or become poor,

and that hardly ever any country grew rich and great without first entering into high taxes while they were low; it being with public societies as with private men, that those that have not at all, or at least not the use or command of sufficient stocks, revenues, credit, or all of them, to begin upon, rarely increase, but rather decline in the world.

# PATERSON'S OWN LIBRARY

OF

TRADE AND FINANCE,

GIVEN BY HIM FOR THE PUBLIC USE.

# PATERSON'S OWN LIBRARY

OF

# Crade and Hinance,

## GIVEN BY HIM FOR THE PUBLIC USE.

#### ITS CATALOGUE.

In 1703, when Paterson lived in Queen Square, Westminster, in a house now standing No. 3 or 4, he endeavoured to form a public library on Trade and Finance. Reflecting upon the great mistakes of the rich merchauts of England, in opposing the Scottish enterprise, and earnest to promote the general good, by the spread of knowledge upon all topics belonging to national progress—he drew up the following remarkable paper, which is preserved in the Harleian Collection, in the British Museum, No. 4654, being an offer of his books for public use.

"My collection," he says, "gives some better idea than what is commonly conceived of the tracts or treatises requisite to the knowledge and study of matters so deep and extensive as trade and revenues; which, notwithstanding the noise of so many pretenders as we have already had, and are still troubled with, may well be reckoned never yet to have been truly methodized or digested—nay, nor perhaps but tolerably considered by any. Trade and revenues are here put together, since the public (or, indeed, any other) revenues are only parts or branches of the income or increase by and from the industry of the people, whether in the way of pasture, agriculture, manufactories, navi-

gation, extraordinary productions or inventions, or by all of them. So that to this necessary (and it is hoped now rising) study of trade, there is not only requisite as complete a collection as possible of all books, pamphlets, or schemes, merely and abstractedly relating to trade, revenues, navigation, useful inventions or improvements, whether ancient or modern,—but likewise of the best histories, voyages, discoveries, descriptions, and accounts of the states, interest, laws, and customs of countries. From thence it may be clearly and justly understood how the various effects of wars and conquests—fires and inundations—plenty and want—good or bad direction, management, or influence of governments, have more immediately effected the rise, or declension of the industry of a people, whether home or foreign."

To the manuscript is annexed the following catalogue of the books thus proposed for public use. This collection may be taken as a direct proof that Paterson was habitually a diligent reader and a good linguist, however imperfect his early education may have been. The object of his proposed public library was to promote the cultivation of knowledge, not only of trade, but of every branch of industry, whether upon land or sea, in country or in town; and he would crown all by masterly views of the public finances.

No account has been found of the result of this proposal; but the Dupré MS. (British Museum, Additional MSS., No. 10,403) given in this volume, mentions Paterson's library particularly; and at this time, the Earl of Halifax was zealously promoting the acquisition of the Cotton collections for the public; whilst the Earl of Oxford was also zealously forming his own vast and more miscellaneous stores of MS. literature, including the subjects of trade and finance. The British Museum was largely enriched by both; and the catalogue here printed was preserved in the Harleian Collection.

# A CATALOGUE

OF

# BOOKS AND PAMPHLETS

RELATING TO

Trade, Revenue, Navigation, &c.,

COLLECTED BY

WILLIAM PATERSON, ESQ.

ANNO MDCCIII.

#### CATALOGUE OF BOOKS.

#### Livres Français.

1 Divers Voyages curieux, recueillis par Thevenot: Paris, 1663. 2 vols.

#### Needer duitse Boecken.

- 2 Handvesten, Privilegien, Octroyen &c. der Stadt Amsterd: Amsterdam, 1663.
- 3 De Neederlandse Baukonst, open gestelt door Corneles van Yk: Delft, 1697.
- 4 Voyagien van Lynschooten: Amsterdam, 1644.
- 5 Beschryvinge van America door Arnoldaus Montanus: Amsterdam, 1671.

#### English Books.

- 6 The Merchant's Map of Commerce, by Lewis Roberts: London, 1700.
- 7 Lex Mercatoria, by Gerard Malines: London, 1636.

## QUARTO BOOKS.

#### Livres Français.

- 8 Traitté historique des Monoyes de France, par Mons. le Blanc: Amsterdam, 1692.
- 9 Traitté du Commerce, par Samuel Ricord: Amsterdam, 1700.
- 10 Le Parfait Negociant, par Jacques Savary: Paris, 1679.

#### Espanola.

11 Relacion de la Destruition de las Indias, par B. de las Casas: ano 1552.

#### Neederduitse Boecken.

- 12 Recueil van Placaaten, Ordannantien etc\*: Haag, 1689. 2 vol.
- 13 Recueil van Tractaten geslooten tusschen H. H. M. & div<sup>\*</sup> Köningen etc<sup>\*</sup> Haag.
- 14 Generale Wissel u Munt reductie door Peter Persoy: Amsterdam, 1694.
- 15 Declaratie van de Staaten van Holland 1654.

### English Books.

- 16 Charles Molloy de Jure Maritimo: London, 1682.
- 17 Several Treaties of Peace and Commerce: London, 1686.
- 18 Narrative of the Troubles with the Indians in New England, by William Hubbard: Boston, 1677.
- 19 Andrew Yarranton's Improvement of England by Sea and Land: London, 1698.
- 20 The same, by Roger Coke: London, 1675.
- 21 Discourse touching the Spanish Monarchy, by Thomas Campanella: London, 1654.
- 22 Bushel's Abridgment of Bacon's Philosophical Theory in Mineral Prosecutions: London.
- 23 Famous History of the Indies, by Hackluit: London, 1628.
- 24 The Circle of Commerce, by Edward Misselden: London, 1623.
- 25 Peter Martin's Decades of the New World: London, 1555.
- 26 Hartlib's Legacy of Husbandry: London, 1655.
- 27 The Natural and Moral History of East and West Indies, by Joseph à Costa: London, 1604.

### OCTAVO AND DUODECIMO BOOKS.

#### Livres Francis.

28 Nouveaux Mémoires de la Chine, par le Père Le Comte: Amsterdam, 1697. 2 vols.

- 29 Nouvelle Relation de la Voyage fait aux Indes Orientales par Dillon: Amsterdam, 1699.
- 30 Voyages en Espagne, Portugal, &c., par Mc. M.: Amsterdam 1700.
- 31 Voyages de Bernier: Amsterdam, 1699. 2 vols.
- 32 Le Denier Royal, par Scipion Gramment: Paris, 1620.
- 33 Histeire de l'Origine and du Progrès des Revenus Ecclesiastiques, par Jérôme à Costa: Franckft. et Londres, 1684.
- 34 Costumes de Paris, par Claude Ferrier: Paris, 1679.
- 35 Traitté des Conféderations entre la France et les autres Etates, 1651.
- 36 Etat de la France: Paris, 1674.
- 37 Mémoires pour servir à l'Histoire de Richlieu, par Auberg: Cologne, 1667. 5 Tom; 7 vols.
- 38 Traitté de la Praticque des Billets: Mons, 1664.
- 39 Les Sécrets du Trésor de France, par N.: Fromenteau, 1581.
- Nouvelles de la Républicque des Lettres de Mr. B. depuis
   Aoust, 1684, jusqu' en Avril, 1689: Amsterdam, 1689.
   11 vols.
- 41 Traitté de la Politique de France, par M. P. H.: Cologne, 1677.
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- 94 England's Present Interest considered, with Honour to the Prince and Safety to the People: London, 1698.
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- 142 Moreland, of Water Works: London, 1697.
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1 Nothwendige nachricht von der Neuen Seefahrt und handlung: Frankfort, 1633.

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- 5 An Act for the better settling the White Paper Manufacture: London, 1690.
- 6 An Abstract of the Subscription of the Bank.
- 7 The Settlement of the Land Bank, established 1695.
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- 9 Proposals for Annuities for Lives: 24th October, 1695.
- 10 An Act against Fraude in the Plantation Trade: London: 1696.
- 11 Observations of Sir Walter Raleigh: London, 1696.
- 12 Free Ports: the Nature and Necessity of them stated: London, 1652.
- 13 Proposal for Advancement of Trade: 1676.
- 14 James Whitson's Discourse of the Decay of Trade.
- 15 Advantages of the Kingdom of England on Manufactures.

- 16 How to Preserve the East India Trade: 1695.
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- 21 ..... van H.H.M. Staaten general: Haag, 1689.
- 22 Copy van't Octroy van de Selve aan Jan Reeps: Haag, 1689.
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- 49 The Mischief of 5s.Tax upon Coals: London, 1699.
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- 51 A Treatise for the Abatement of Interest: London, 1668.
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- 54 A Discourse showing the Million Lottery and the Bank of England to be injurious: London, 1694.
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- 71 S. Case's Essay on the Navy: London, 1702.
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- 83 Groans of the Plantations: London, 1689.
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- 87 Orders to prevent the Dearth of Grains and Victuals: London, 1630.
- 88 Virginia's Discoveries of Silck Worms: London, 1650.
- 89 A Manuscript about the same.
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- 91 Some Thoughts about Trade.
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- 96 A short Account of the Bank of England.
- 97 Reasons for confirming the Charter to Massachuset Colony.
- 98 Relation of the Proceeding of their Majesties' forces in America: 1691.
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- 123 The State of Europe languishing by the Greatness of the French King: London, 1699.
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- 125 A Treatise on the East India Trade: Edinburgh, 1695.
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- 128 England's Want offered to both Houses of Parliament: London, 1668.

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- 135 Rough Draught of a New Model at Sea: London, 1694.
- 136 Proposal for supplying the King with £1,200,000 by the Mending the Coin: London, 1695.
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- 138 A Book of Funds: London, 1696.
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- 140 Proposal for a Duty upon Malt: London, 1696.
- 141 Proceedings of the House of Commons for Recoining Money: London, 1696.
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- 148 Reasons for a limited Exportation of Wool: 1677.
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- 157 Proposal for raising a Colledge of Industry: London, 1696.
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- 159 Some Considerations offered relating to our Present Trade: London, 1698.
- 160 The Improvement of Trade by a Land Credit.
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- 162 Collections and Observations on the Royal Fishery.
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- 164 Essay about the Poor, Manufactures, Trades, &c.: London: 1699.
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- 167 A Postscript to a Discourse of Credit: London, 1701.
- 168 Argument against the Poor being imployed on the Wool Manufacture: London, 1701.
- 169 A Letter showing the Wealth the Dutch get by Fishing: London, 1701.
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- 171 Proposition for Uniting the Two East India Companys: London, 1701.
- 172 Reasons of the Increase of the Dutch Trade.
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- 174 The Belgie Pismire: London, 1622.
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- 178 A Narration of the Royal Fishing: London, 1661.
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- 181 A Reflection on the East India and Royal African Company, by Roger Coke: London, 1695.
- 182 Discourse of Fishery in the British Seas: London, 1695.
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- 185 The Mistaken Advantage by raising the Money.
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- 187 A Copy of the Survey of the River from Northampton to Peterborough. A Manuscript.
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- 189 The Present State of England: London, 1671.
- 190 Interest of Money Mistaken: London, 1668.
- 191 A Discourse of Commerce, by Edward Messelden: London, 1621.
- 192 The Commonwealth's Great Ship, the Royal Sovereign: London, 1653.
- 193 London's Blame, if not its Shame: London, 1651.
- 194 A Discourse of the Great Benefit of Drawing, Imbanking, and Transporting by Water in the Country: London, 1641.
- 195 Samuel Hartlib's Legacy: London, 1651.
- 196 St. Foin improved: London, 1674.
- 197 Discourse for Free Trade: London, 1645.
- 198 Considerations touching Trade: 1641.
- 199 Discourse of Husbandry as it is used in Brabant: London, 1650.
- 200 Considerations concerning Common Fields: London, 1654.
- 201 Improvement of Commons, Forests, &c.: London, 1652.
- 202 Sir Thomas Smith's Voyage in Rushia: London, 1605.
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- 217 A Journal of the Proceedings of the English Army in the West Indies: London, 1655.
- 218 Instification of the East India Company: London, 1687.
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- 220 Remarks on the establishing a Land Bank: London, 1696.
- 221 Some Thoughts of the Interest of England: London, 1697.
- 222 Lewis's Proposal for Trade: London, 1677.
- 223 An Essay on Mending the Coins: 1695.
- 224 A Letter to a Friend on the Currency of Clipt Money: London, 1696.
- 225 A Consideration of the Coin: London, 1696.
- 226 Review of the Diseases incident to Coin: London, 1696.
- 227 A Letter to a Member of Parliament on the Coin: London, 1697.

- 228 Proposal for advancing the Woollen Manufactures: London, 1698.
- 229 An Account of employing the Poor att Bristol: London, 1700.
- 230 Common Good, or the Improvement of Commons, &c: London, 1652.
- 231 Considerations of the Value of Money: London, 1695.
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- 234 A Letter concerning the Value and Encrease of People and Collonys.
- 235 An Account of the Proceedings in Bristol about maintaining the Poor: London, 1700.
- 236 Cary's Essay of National Credit: London, 1696.
- 237 Proposal for a National Bank: London, 1697.
- 238 Advantage of the East India Trade for England: London: 1697.
- 239 A Letter for Advancing the Woollen Manufactures: London, 1698.
- 240 The Government of the English Plantations of America: London, 1671.
- 241 Free Trade made to flourish: London, 1672.
- 242 Further Considerations of the Value of Money: London, 1695.
- 243 R. L'Estrange's Discourse of Fishery: London, 1607.
- 244 Overture to regulate the Length and Breadth of Linnen: Edinburgh, 1700.
- 245 Reasons and Interest considered concerning the Spanish Monarchy.
- 246 The Maintenance of Free Trade: London, 1622.
- 247 An Essay on the Value of the Mines late of Sir Carbery Price: London, 1698.
- 248 A New Method of Bee Houses: London, 1677.
- 249 Proposal of a Lumber Office to encrease Trade: 1694.
- 250 England's Interest by Fishery: London, 1696.

- 251 The Advantages of our Manufactures: London, 1697.
- 252 A Dialogue betwixt a Burgomaster and an Englishman: London, 1697.
- 253 Fortey's England's Interest: London, 1673.
- 254 A General History of Lotterys: 1696.

#### DUODECIMO BOOKS.

#### Livres François.

- 255 Addition au Traitté pour faire l'Eau de Mer douce: Londres, 1684.
- 256 Nouvelle Expérience sur le Mènu sujet : Londres, 1684.
- 257 Journal du Voyage des flibustiers dans la Mer du Sud en 1684 jusqu' en 1688: Paris, 1690.

#### Ductsch Buch.

258 Reise Beschreibung aus der Hispanien nach Paraguay um R P. Anthon Sepp Jesuitus a Nuremb: 1696.

### English Books.

- 259 Λ Description of the Isles of Orkney: Edinburgh, 1693.
- 260 An Essay concerning the Thule of the Ancients: Loudon, 1693.

PATERSON'S WRITINGS.



# PATERSON'S WRITINGS.

FIVE years ago it was quite unknown, except to two or three individuals, that the founder of the Bank of England was the author of a single printed line. The proofs are, however, positive and complete, that he was a voluminous writer upon subjects still deeply interesting to society. He wrote the Wednesday Club Dialogues of 1706, on the legislative union of all parts of the British Empire; and those of 1717, on the results of the union with Scotland, and on redeeming the National debt. He had before published an essay on the progress of Scotland, long attributed to John Law; another essay on the audit of the public accounts; others on free trade, on toleration, and on British Settlements in Central America, as well as very valuable tracts on the Bank of England, and on coin, currency, and colonial Government.

A simple list of his works, with their dates, will show his prodigious industry, and the fertility of his mind.

- 1690. Portious of a Tract on the Government of the West Indies.
- 1691. Plan of the Hampstead Water Works Company.
- 1692. Evidence before the House of Commons on Public Loans.
- 1694. Two Tracts on the Bank of England.
- 1695. The Scottish Act of Parliament on Darien.
- 1695. Letters on Darien.
- 1696. Tracts on Coin, and the Stoppage of the Bank of England.
- 1699. Report on the Disasters of Darien.
- 1700. Paper on the Revival of the Darien Colony.
- 1700. Tract on the Social Progress of Scotland, or his "Proposals of a Council of Trade," attributed erroneously to John Law.
- 1701. Tract on the National Debt.
- 1701. Tract on auditing the Public Accounts.
- 1701. Memoir on Free Trade, and on British Settlements in Central America.

1702. Paper on Taxation.

1706. Wednesday Club Dialogues on Legislative Unions of Great States.

1706. Letters on the Union.

1706. Paper on the Revenue of England and Scotland.

1709. Papers, &c., on his Indemnity.

1709. Letters to Lord Treasurer Godolphin, on Taxation.

1710. Paper on Toleration.

1716. Paper on redeeming the National Debt.

1717. Wednesday Club Dialogues on the Results of the Union, and on redeeming the National Debt.

But besides the proof afforded by these works, that as an author he belongs to the numerous class of men who publish their writings anonymously, there will be found in his books another circumstance of very great historical and scientific importance, namely:—in these books will be found ample proof that he was the chief advocate of sound Political Economy, as opposed to the exclusive or the mercantile system.

So eminent a French professor of the science as Mons. Jean Baptiste Say, gives that credit to his countryman Quesnay, to Hume, and to Dr. Adam Smith, as if their labours, after 1750, first produced the principles of Free Trade, and of wise, equal taxation; of the distribution of the sources of wealth among all classes of men, landowners, merchants, manufacturers, labourers of every denomination; and of safe Banking and Currency.

Paterson proclaimed all these views practically as a founder of Banks, as a lawgiver, and with his pen.

Another French writer and statesman, M. Thiers, in his biography of John Law, has followed the common error of attributing to that brilliant adventurer the valuable work of Paterson on the Council of Trade. Setting out with this error, M. Thiers assumes Law to have possessed the genius of a statesman; and builds up a series of other opinions and facts in honour of Law, which he is too candid not gladly to set to their proper account, when he shall perceive that they belong to Paterson.

# **PATERSON**

AND THE

BANK OF ENGLAND.



# PATERSON

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# BANK OF ENGLAND.

THE most correct account of the Bank of England is traceable to Paterson's own statement on the subject, in the Wednesday Club Dialogues of 1717,\* repeated by Anderson in the History of Commerce,† which has been adopted by all other writers, without being aware of the original statement.

Anderson himself, although he must have known Paterson, is so far inaccurate in regard to a similar institution, the Bank of Scotland, as to attribute it erroneously to "Mr. William Paterson," whereas John Holland, an English projector, was certainly its founder.

The first proposal of the Bank of England, by Paterson, was in 1691. His description, in the Dialogues, of its various opponents, is highly interesting; and the following "Brief Account of the intended Bank of England," published, in 1694, by him, constitutes an important authoritative portion of the great controversy which he chiefly sustained in its favour against Dr. Hugh Chamberlen, a precursor of John Law, in advocating paper money not payable on demand, in gold or silver. This copy of the anonymous tract is taken from the King's Collection in the British Museum. It is not rare.

# A BRIEF ACCOUNT OF THE INTENDED BANK OF ENGLAND.

"The want of a bank, or public fund for the convenience and security of great payments, and the better to facilitate the circulation of money in and about this great and opulent city, hath in our time, among other inconveniences, occasioned much unnecessary credit, to the loss of several millions, by which trade hath been exceedingly discouraged and obstructed. This must be added to the height of interest, or forbearance of money, which for some time past hath borne no manner of proportion to that of our rival neighbours; and for which no tolerable reason could ever be given either in notion or practice, considering the riches and trade of England, unless it were the want of public funds, by which the effects of the nation, in some sort, might be disposed to answer the use and do the office of money, and become more useful to the trade and improvements thereof.

"These, and such as these, were the causes that the nature and uses of Banks and Public Funds have been the discourse and expectation of many years. But all this while, our more refined politicians assured us that we must never think of settling Banks in England without a Commonwealth; and this notion became so universal that it was a matter of derision for any one to seem to be of a contrary opinion. Thus the modish vein of farce and ridicule so prevalent over the morality, virtue, and reason of our

times, had liked to have deprived us of this.

"But the notion of Banks and Public Funds was entertained by some mercurial heads, who, finding the main objection against them in England to be the danger of violence from the Prince, they therefore invented certain imaginary Banks and Funds, which they designed to settle far enough from the Prince's reach, or anybody's else. The first design of this nature was, to turn a Lombard into a Bank, and to that end they cried down the use of gold and silver, and up that of other materials in lieu thereof; but when they found the world very unwilling to leave their old way without a better reason, or something more enticing, they ran from their new mistake to an old one, which was, that the stamp or denomination gives or adds to the value of money. With this they resolved, counter to all mankind, yea, they would anticipate ages and attract, or rather imagine, inestimable value from iunumerable years to come, all

which was to be crammed down men's throats as a punishment of their infidelity, who could not believe a Lombard to be a Bank. And here was occasion for the power of an Act of Parliament, at least to conjure every man's imagination into the latitude of theirs. Thus we see the genius of some of our countrymen, is as vastly above and beyond as others are below, and beside the

practice of extraordinary things.

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"Thus, between the new acquired maxims of our modern politicians on the one hand, and the incomprehensible notions conceived on the other, it became very scandalous to countenance or espouse anything of a proposal relating to a bank. But when this war began, the credit of the nation was low, and the wits on both sides found no better or honester way to supply the necessities of Government but by enhancing the price and interest of money, the effect of which was, that the Government was obliged to pay from double to treble, or higher interest. The disease growing daily worse, men were tempted to draw their effects from trade and improvements, and found the best and securest gain in making merchandise of the Government and Nation, for remedy of which it was proposed, some years ago, that a Public Transferable Fund of Interest should be established by Parliament, and made convenient for the receipts and payments in and about the Cities of London and Westminster, and to constitute a society of monied men for the Government thereof, who should be insured by their interest, to exchange for money the assignments upon the fund at every demand. In this manner it was proposed, that the constitution of this fund should, in the practice, answer the end of a Public Transferable Fund of Interest, of a Bank, and of a Public Lombard at once; and a good part of the effects of the nation might thereby be rendered useful to the trade and interest thereof. This would, of course, have lowered the interest of money, and prevented the drawing thereof from the counties and places remote from trade. But no sooner was this proposal stated by a society of considerable persons, than the notion of currency was started and carried so far before it was understood or well perceived by some, that it then proved of pernicious consequence to the success of this undertaking. Some understood it only as a convenience; others, as it seems, it was at the bottom intended a downright force, the effect of which would have been, to turn the stomachs of mankind against it, coercion being of sufficient force to mar a good thing of this nature, but never to mend a bad one. All this, while the very name of a bank or corporation was avoided; though the nature of both was intended, the proposers thinking it prudent that a design of this nature should have as easy and insensible a beginning as possible, to prevent, or at least gradually to soften and remove the prejudices and bad impressions commonly conceived in the minds of men against things of this kind before they are understood. But that sort of people who ought, and in whose power it was, to encourage this undertaking, could no ways understand it, which put the proposers upon heightening the proposal for interest, and upon particular undertakings for the sum proposed, which, at several times, and upon divers occasions, produced certain narrow and sinister designs no way becoming so noble and universal a work as this.

"As the proposers found great discouragement from one sort of men who could by no means reconcile this proposal with their own apprehensions, and the old Norman way of borrowing money; so others seemed to understand it too much and would have it only proposed at four or four-and-a-half per cent. whereof three per cent. to be allowed to the fund, and the remainder for those who should furnish money to circulate the same. For otherwise, they say, it will quite and clean discourage land, for everybody will be for disposing their money upon so convenient, clear, and secure an interest, rather than to expect something more, with trouble and uncertainties; but afterwards it was found convenient to put it to hazard and expose so much of the nature of the thing and its constitu-

tion as was needful to have it espoused in Parliament.

"But though the gilded name of a Bank, and the popular one of a Corporation became more formidable to the senses of a sort of people who wanted the money; yet, what by the instigation of a few from a principle of interest, and of some who are no great friends to the Government, as from jealous apprehensions arising from the newness and strangeness of the thing, divers, otherwise well-meaning people, became possessed with monstrous and frightful ideas, and conceptions of the matter, which begot whole swarms of objections, hardly ever like to be answered, unless it be with one another, or with the practice, or at least, until the antagonists have reconciled their positions. One pretended patriot comes and tell us, this design will make the king absolute by becoming master thereof, nor is there any way to prevent it; for, says he, rich and monied men, we find by experience, are naturally timorous and fearful; and are easily brought to comply with the times to save what they have. And the keeping of this fund being of necessity committed to such, the prospect of their profit in conjunction with their natural easiness, will, of course, induce them to join with the prince, who is always best able to encourage

and support them.

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"Another comes cock-a-hoop, and tells ye, that he or his grandsire, uncle, or some of their race have been abroad in some country or other, and in all their peregrinations they never met with BANKS nor STOCKS anywhere but only in republics; and if we let them set footing in England we shall certainly be in danger of a commonwealth. Nay, he goes further and tells ye, that the very establishing a Bank in England will, of course, alter the Government; for that is to entrust the fund of the Nation in the hands of subjects, who naturally are, and will always be sure to be, of the popular side, and will insensibly influence the Church and State.

"Some, who pretend to see further into a millstone than others, will undertake to make it plain, that it will raise and enhance the price of land, and utterly discourage and ruin trade; for by this means, say they, all real securities will become current or near as good as current, in or by the Bank, which will very much lessen, if not put an end to, personal securities, for usurers will be content with such au easy, secure, and convenient profit rather than hazard their principal and em-

barrass themselves in trouble for a greater interest.

"Others of the learned tell us, that this bank or fund will be so profitable, easy, and secure for receipts and payments, that all the money of the nation will naturally run into trade, and none will be left to purchase lands; since men may continue their money in bank, on demand, on the best security in Europe, and yet have a daily interest running upon it, and

thus have trade and a real estate at once.

"But to leave the objectors to confer notes, reconcile their notions, and to answer one another, it may be to better purpose to give some brief account of the nature of this intended Bank, with the good effects and consequences which may be expected therefrom; and in the first place it is necessary to premise, whatever our Nationists may imagine to the contrary,

"1. That all money or credit not having an intrinsic value, to answer the contents or denomination thereof, is false and coun-

terfeit; and the loss must fall one where or other.

"2. That the species of gold and silver being accepted, and chosen by the commercial world for the standard, or measure, of other effects, every thing else is only counted valuable as compared with these.

"3. Wherefore all credit not founded on the universal species of gold and silver is impracticable, and can never subsist neither safely nor long, at least, till some other species of credit be found out, and chosen by the trading part of mankind over and

above, or in lieu thereof.

"Thus having said what a Bank ought to be, it remains to shew what this is designed, and wherein it will consist. This bank will consist in a revenue or income of eight per cent. per annum, for and upon the money subscribed; and what profits and improvements can be made from the business or credit of the bank will be also divided among the proprietors. Thus, this Company or Corporation will exceed all others of that kind known in the commercial world; for here will be eight per cent. per annum certain upon the capital, and as good and great a probability of other profits as ever any company had. And as to the security of the Bank, for such as may intrust their effects therein, it will be clear and visible, and every way equal to, if not exceeding, the best in Christendom, for the other funds or banks in the Christian world at best have only effects to answer, without pretending to have anything Nor are they corroborated by the interests, property, and estates of private men, that of Genoa only excepted. But this Bank will always have twelve hundred thousand pounds, or one hundred thousand pounds per annum over and above effects to answer whatsoever credit they may have. For the Company will be obliged never to make any dividend but out of the yearly profits arising from their capital Stock, or Fund; nor will they ever make any dividend out of their profits until after some months' notice, that such as apprehend the security will be weakened thereby, may have opportunity to withdraw their effects before the same be made. Thus, a society of private men will be obliged, by their estates and interests, to strengthen and corroborate the public security of this Bank.

"As to the common objection of the danger from alteration and changes of government, this foundation is founded upon a revenue that cannot fail but with the nation, settled by Parliament for the uses thereby limited and appointed, it will, for many reasons, both of right and interest, become the best and highest property, grounded upon so just and valuable a consideration as the value paid to their majesties for the use and service of the Government; and there being no country in Christendom where property hath been more sacred and secure for some ages past, notwithstanding all our revolutions,

than in England, it must needs follow, that nothing less than a conquest, wherein all property, justice, and right must fail, can any way affect this foundation: And in such case this

would be but in common with everything else.

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"Being to show how this design may redound to the benefit of the trade and improvements of England, we find our politicians have split the connection, the better to understand the text, and distinguish between the interest of land and trade as they have lately done between that of a king and his people. The truth of it is, they are possessed of a sort of factious reason, which runs extremely upon divisions and separations; for when any principle or position proves too heavy for their heads, they are presently for dividing it; and as it were of spite, because they cannot apprehend themselves, they employ their faculty to reduce everything to such confusion, as not to be understood by anybody else. But until our politicians are pleased to show some better reasons than they have hitherto done for their splitting the interest of land and trade, we will leave it as it is, concluding that they are, and were, and of right ought to be, in and of one and the same interest, and as such, we shall

consider how this Bank may be beneficial to both.

"It is an infallible sign that money abounds, and is plentiful. when the interest thereof is low, for interest or forbearance is the price of money as it is such; and if money be plentiful people will thereby be enabled and induced to trade and purchase, and by the plenty of money other things must, in proportion, bear the better price. And if the proprietors of the Bank can circulate their fundation of twelve hundred thousand pounds, without having more than two or three hundred thousand pounds lying dead at one time with another. this Bank will be in effect, as nine hundred thousand pounds, or a million of fresh money brought into the nation, and nine hundred thousand pounds or a million that must have been employed in doing what the Bank will supply, may he employed to other purposes; and as the effects in this Bank will be a growing and increasing money, and bring great advantage to trade by the secure, easy, and convenient way of receipts and payments therein. Its safety from fire, thieves, and other disasters which gold and silver are subject unto; its giving a profit upon a great part of the running cash of the Nation, the practice of which will naturally and gradually lower the interest of money, as it has done in Holland, Genoa, and all other places where Banks and Public Funds are used; all this will render it the highest interest of the Government

and people to preserve, maintain, and improve it in all time to come.

"Whatever the groundless jealousies of men may be, none can reasonably apprehend any other consequences of this design to the Government and nation, but that it will make money plentiful, trade easy and secure, raise the price of lands, draw the species of gold and silver into the hands of the common people. as we see it in Holland, Genoa, and other places, where these funds are accommodated to receipts and payments; and it will make the stock or fund of the nation go abundantly further than otherwise it could. Thus the effects of the nation will, at an easy and reasonable rate, answer the end, and command the use of realy money; that we may be no longer a prey to consuming usury; that the many landed men in England may be delivered from the oppressions they too frequently lie under, from the few that have money; and what ought at all times to command money readily and easily will hereby be put in a condition to do it. Nor can it be reasonably supposed to make any alteration in our Government unless it be to make property still more fixed and secure; and to link the people more firmly to our English Constitution, and insure them, as it were, against the itch of change.

"Whatever a sort of people may pretend, who profess themselves to be greater friends to borrowing, than to lending, Parliaments; and whose talent lies, not so much in removing inconveniences, as in finding them, men are the best, truest, and most natural defenders and guardians of their own properties and estates; and we have hardly ever found the liberty and property of England wronged, but by such as had no great share therein; and who, for want of money, have often sold

what was none of theirs.

"It's worth any one's observation, to take notice how much, and what sort of unusual opposition this proposal has met with. Why not the like strugglings against that chimera of survivorships—our funds for lives, or the late lottery? which, however they have succeeded, the same funds might have raised double the moucy, and been very near as soon paid off. These, also, had been funds beneficial to trade and the industry of the nation; whereas the other are quite contrary, nurses of idleness, baits of vanity, possessing the people with a certain sort of levity, giddiness, and filling them with fond expectations, destructive to their welfare and future improvements. But there are three sorts of people, how much soever otherwise their interest and humours differ, who have, notwithstanding all

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civilities shewed them, unanimously joined issue against this undertaking;—Jacobites who apprehend it may contribute to lessen their monarch of France, with some few usurers and brokers of money; and the third sort are commonly such as have not wherewith to trade unless it be like Haman of old, for whole nations or peoples at once. But, after all, the happy effects of this undertaking, like almost all other great things in trade, will be best understood by the practice thereof. When time shall convince the ignorant, and when men will come to apprehend it as it is, then these conceived hobgoblins, frightful monsters, and horrid spectres with which some are possest about it, shall vanish, cease, and be no more.

"To conclude. Reproaches and aspersions on such a work as this is, are neither new nor strange; as being the common fate of all good and generous undertakings that are, or ever were, in the world; the nature of man being bent against everything which they fancy innovation; as well, out of a fond and presumptuous principle that none knows, or at least ought to know, more than they, as out of a natural unbelief and suspicion of all they cannot see, which makes them follow success, or anything like it, more than reason, and example more than rule. But the apprehensions or difficulties which were in the way have not discouraged the proposers from doing their utmost to bring the designed work to perfection; which seems to be reserved for such a time as this the better to enable the Government and people of England to recover, revive, and transmit to posterity the virtue, lustre, and wonted glory of their renowned ancestors; and to lay a foundation of trade, security, and greatness within this kingdom for the present and succeeding ages."

Paterson was one of the first directors of the Bank, but soon quitted it for reasons variously reported. Sir Walter Scott, his warm eulogist, believed him to have been expelled by envious colleagues. It seems, however, probable that, finding himself, by the premature decease of Mr. Godfrey, at the siege of Namur, deprived of a strenuous supporter, he turned not unwillingly to the Darien enterprise.

Soon after he had quitted the direction of the Bauk, it stopped payment, through the error of the directors. Of their £1,200,000 subscribed capital, and deposits, they had rashly lent £800,000 to the Government at high interest. They had issued notes largely, payable in coin on demand. The notes came in

fast: and the deposits were called for. The Government could not repay the advances, so that the stoppage soon followed. This was the more serious as it took place pending the difficulties respecting the coin; and the value of the bank notes sustained a great fall, since the credit of the Bank itself was weakened. At this juncture two powerful letters were addressed to Locke supporting his famous opinions against lowering the standard of the coin, as proposed to the Treasury by Mr. Lowndes; but with a remarkable addition respecting the duty of the Bank of England at this crisis—a topic Mr. Locke does not touch upon

The style of these letters, of which one is given entire below, is more terse than Paterson's authenticated works, but in all other respects they may be safely included among his writings.

"The discredit of the coin from its being clipped or worn, and the discredit of the bank notes in consequence of the refusal of payment in good coin on demand, are the same thing," says the writer: and he insists that the proprietors of the Bank and the directors have only one course open if they would be safe. 'They must pay the amount of their notes in coin on demand, whatever it might cost them.' The lesson and its grounds are of universal application, and not less applicable in 1859 than it was in 1696.

"The usefulness of bank notes to the public, that which first gave them the nature of money among us," says Mr. Locke's correspondent, "was founded in credit. That credit rose from the knowledge men had of their fond \* and an opinion both of the capacity and integrity of the managers of it. Whilst their management answered men's expectations, by a current compliance upon all demands, with their engagements, their credit remained entire, and their bills were reputed good payment. When they faltered in their payments, whether from impotency or ill management, that failure in the performance of their promises was adisappointment to those that depended upon them and thereupon their bills became of less esteem than they had been before. They were really less in value, for they answered not the end that they were given out for. Something of the

<sup>\*</sup> I.c., the special engagement of Parliament in the appropriation of taxes t certain loans; hence the term "Funds," depending for their stability upon on national credit.

nature of money they still retained, because the security of the fund upon which they were established gave them a real value, though diminished. That is, they became a new species of clipped money among us.

"Now the only cure of clipped coin of any sort consists in the reduction of it to its first standard. And all paper money, that of the bank, as well as that of an individual, must either be reformed, as our coin has been, by reducing it to its standard,

or England will never be at easc.

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"If the necessity of reforming paper money be clear, can any one doubt of the manner of it? Was it not a legal security, confirmed by a settled course of payment upon demand when due, that converted paper into money? Was it not the faltering in their payment which diminished its value, and made it become clipped money? Can anything but a return to the first settled course of the payments restore its value? Is not that the standard to which it must necessarily be brought back? any other artifice, will any indulgence to the coiners or subscribers of paper money, do any manner of good to the nation? Or would they be indulged at the price of the nation's suffering? I thank them kindly. If so, I am sure they deserve no indulgence at all. But I hope better things of them. Though they have been stunned with a blow that lately hit them, yet the symptoms do not appear mortal. is not impossible that they may return to their senses, and act as becomes men.

"But do I not hear some languishing voice, that, on pretence of absolute impossibility to perform what I point at, bespeaks

yet longer forbearance and favour?

"If, indeed, any such voice be heard in our streets, we are there so accustomed to those artful tones, that nobody is much touched with them. Therefore, as we usually bid beggars work, so I must still bid those men pay. Let them not be offended with the similitude, for I am far from thinking them in the case of beggars. They are opulent; and can do it. But if I have mistaken, I will not say perverted, their course, let them not disdain advice, though from never so mean a hand.

"They ought, upon the first sense of their distress, to have called in the forty per cent. due from each of their members. This would then have infallibly saved their reputation; but

they neglected the opportunity.

"Instead of calling for the forty per cent. then due, they have borrowed twenty per cent. of their members as a favour. If they do no more, I am sure this is to no purpose.

"But what shall they do further?

"Let them keep the twenty per cent., as they have it upon loan; and, besides that, now call in the forty per cent. due t

"If they like any other method better to raise so considerable a sum, or bring it to many of their own bills (which is, o ought to be, the same thing), let them find it out and

"But it would shorten, or perhaps ruin, some of their members

"Vain subterfuge! Their not doing it does now shake and threaten manifest ruin to all England. Besides, too, the suggestion is false. There is to them no such danger. Those that cannot pay now, can, if they please, sell part of what they have, and so make to themselves an honest, which is better than a legal, title to the remainder.

"But the forty per cent. will do them no good. Four hundred

and eighty thousand pounds will fall short of their debt.

"If this be true, however dreadful it looks, yet methicks £480,000 should stop a gap, and make the remaining creditors easy to them. Let them not banter us with vain objections If they are honest let them do what they can to pay what they Nobody will then complain. Nay, when they have raised the £480,000, they will thereby have given such a pledge of their integrity to the nation, that everybody will return to trust them with their cash as at first; and their latter end wil be more glorious than their beginning. This appears to me reasonable to be expected. I desire it, and I believe it.

"The bank must, at the very least, make up their accounts and after settling the terms of future payment of their debt with interest, go on with revived credit, or pay nothing bu interest, when 'the course of the bills would be stopped,'-

perhaps to the advantage of the public.

"As in the stop of clipped silver coins, many hoards were opened, the bank-bills in discredit, being the last sort of clipped money among us, would unlock them all. And then all duty dispersed would abundantly suffice for our commerce, ou markets, and our expenses-and make all payments easy."-August 31, 1696.

From this time during many years, Paterson was engage with the Darien Company, and on other important affairs, s that he does not appear to have taken part in the warm discus sions which attended the renewal of the Bank Charter in the reign of Queen Anne; but at a later period, in 1717, l are j

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introduced into his second Wednesday's Club Dialogues, a grave rebuke of the monopoly secured by the Bank of England in that reign, and enjoyed for upwards of a century to come. He also, in a petition to the Queen, set forth in the preface to this volume, declared how much he had promoted the foundation of the Bank, and how small had been his reward for so great a service.

## PATERSON

AND THE

# NATIONAL DEBT.

# PATERSON AND THE NATIONAL DEBT.

THE Economist journal justly gives the highest praise to the calculations upon which Paterson based his plan for paying off the National Debt, and laments that the measure was not persevered in after being begun in 1717. Paterson's plan was first published in 1701, and it will be found in a note reprinted from a very rare work in the Bodleian Library

It may be concluded with confidence that, in better times, this plan will be carried out, provided the increased wealth of the country bears as good a proportion to the present debt as the national wealth bore to the debt owing in Paterson's time. The plan successfully followed in the reign of George I., in the South Sea difficulties, must be good; the consideration of it ought to be revived. The modern creation of other stocks-such, for example, as the capital of railways-is thought to afford great facilities towards the redemption of the National Debt; and that capital has already called forth a most ingenious speculation, by Mr. Kingdom, upon the funding of the railway funds in conjunction with the public debt, and with the circulation of national wealth. Paterson examined the resources of every form of industry the same way, so as to distribute the burthens over the widest supports, and to make all classes fairly share those burthens. No property, according to him, was to be locked up or favoured. All was to be secured. He connected with his design such an administering the public revenue as should promote economy; and he proposed a plan of permanent audit of the public accounts, which King William would probably have adopted if he had lived another year. The *Economist* has declared Paterson's *audit* to be admirably constructed; and it is certain that a Chancellor of the Exchequer who would have sagacity sufficient to carry it out, would command the grateful applause of the country.

The popular notions about the originator of the Sinking Fund are vague. Athough the present Earl Stanhope has candidly disclaimed the credit of it for his ancestor, who only adopted it in 1717, a popular writer last year repeated the old error, and aggravated it by additional glaring mistakes.

"It is, he says, generally called Sir Robert Walpole's Sinking Fund. Its real author was the Earl Stanhope. The adoption of the plan by Sir R. Walpole was the cause of his name being attached to it, he being the minister at the time."\*

The truth is, Sir R. Walpole introduced the measure, and then *quitted* the Administration, in which Earl Stanhope remained after his colleague had resigned his office.

A more important point is the adoption of the policy of the Sinking Fund by Parliament, from its first proposal in 1717 to the present hour, however difficult may be its proper development and extension. Under these circumstances, Paterson's elaborate plans and calculations must be considered of great value, as an able and practical application of science to a vital object of national policy.

Paterson studiously based his financial speculations upon historical experience; to which are to be traced his earnest efforts to avert from his own country calamities fatal to other nations.

The origin and adoption of a national debt in Spain must have been familiar to him; and the narrative on the subject by Anderson is a curious illustration of the laxity with which such debts are approved, and of their positive evil.

"The Emperor Charles V.," says Anderson, "in about 1548,

<sup>\*&</sup>quot;The National Debt." A Prize Essay, by Edward Capps. London. 12mo. 1859, p. 92.

"began to put in execution a design he had long been forming, of reducing the republic of Genoa to a state of absolute dependence on him, thereby to keep a door always open for his armies from Spain to pass into Italy. For the Genoese, notwithstanding the decay of their former vast commerce, were still immensely rich; and being great bankers and dealers in money, he reasonably concluded, that if, by extraordinary allowances for interest, he could draw their moneys into his exchequer, he should, in that case, possess himself of the surest pledges they could give him of their fidelity. His son Philip II. improved upon his father's said scheme, whereby many millions of money were borrowed on the security of the duties on the commerce of Spain and America. But Philip being soon after greatly exhausted by his Netherland wars, he not only suspended the payment of any part of the principal, but even of its interest, which occasioned much clamour in traffic by their ancestors. King Philip's real or pretended distress at Genoa, where so many families lived entirely on the interest of the money gotten in ability to pay even the interest of those vast sums, made him at first begin to cavil with the creditors, on account of certain small pretended misreckonings, and to insist that he had over-paid their interest: he therefore obtained the Pope's approbation, for deducting out of their principal debt so much as they had received more than what his Holiness and King Philip thought fit to call legal interest. On their capital, however, thus reduced, it is said by some (though it seems untruly), that the Court of Spain were ever after punctual in paying the interest. By those vast loans, the Genoese are said, in a great measure, to have governed the rate of interest in other parts of Europe. Thus at first they had ten per cent. from those princes, afterwards it was reduced to seven per cent. and since lower; and probably the fixing of usury at ten per cent. by law in England, anno 1546, took its rise from the practice of Genoa.

"And here let us add a melancholy and most interesting remark (for the serious consideration of those to whom it more immediately relates in our own days), which was made many years ago by the ingenious Dr. D'Avenant, in his 'Discourses on the public Revenues and Trade of England:' 'That those large anticipations of King Philip II, which were continued from year to year, without any measures thought on for lessening the debt, have more contributed to sink the Spanish monarchy than all their other bad counsels put together. The chief branches of that kingdom's revenue

being employed in payment of interest of money borrowed one hundred years ago; the nourishment which should support the body-politic being diverted another way, it becomes weak, and unable to resist accidents. And when a people so involved come to be engaged in a foreign war, it is quickly evident to their enemies, that they are not much to be feared for their power; and to their friends, that they are not to be depended on for help.' All which, we fear, may soon become eminently the case much nearer home, than it was at the time when that able author thus solidly warned the then Government to beware of anticipations; the whole National Debt scarcely amounting in 1698 to ten millions. although we have not intended nor presumed to dedicate any part of our work to any Minister of State whatever; yet, upon a review of this important remark of D'Avenant's, the author, with profound respect, and purely out of his warm zeal for the public welfare, most humbly presumes to dedicate and recommend to our present patriot Ministry,\* and to their successors in power, this single paragraph only, for their most serious consideration; as they would have the glorious epithet of Patriot joined to their names to latest posterity."

It is certain that Dr. Price, the proposer of the modern Sinking Fund, was unacquainted with Paterson's views, which differ essentially from it. Nor was the Scottish professor, Dr. Hamilton, whose arguments defeated that fund as then formed from loans, better acquainted with the views of his strangely neglected countryman.

 <sup>1764.</sup> 

## PATERSON

AND THE

# DARIEN COLONY.

## PATERSON AND THE DARIEN COLONY.

Paterson's early attention to the formation of a free settlement in Spanish America,—his services to the company which founded the settlement,—and his long disappointment after its ruin, have been already stated in another volume. The following passage from Defoe has an especial interest, inasmuch as the famous author of Robinson Crusoe was not only Paterson's cotemporary, but they were both employed to promote the union, and both took a lively share in the same subjects at home and abroad; nevertheless in Defoe's voluminous writings, no other allusion has been found to Paterson's important designs.

"King William," says Defoe, in the Advantages of Scotland in a corporate Union with England (Edinburgh, 4to, 1706, p. 10.), "King William, for all that's laid to his charge, was not so much to blame for the failure of the African Company

as the managers of the company.

"I can remember very well what he told a worthy and noble patriot of this country, one of the most eminent in it, and to whom we owe more than ever he'd tell us, or I am afraid we'll be sensible of, whatever fools, madmen, or Jacobites may asperse him with,—I say, I remember how he I now speak of, pressed the king to call in the proclamations issued in the West Indies. The king told him that 'those proclamations were extorted from 'him; and he could not call them back. It was not the preclamations that hindered the Scots from being supplied with 'those necessaries they wanted; but they had no money to buy 'them. He saw how his woollers in Romney Marsh run out 'quantities of wool every year to France, although death by law, 'and all because they are sure of ready money, and a good 'price.' The story is easily applied."——

The king's remark confirms Paterson's statement respecting his interview with his Majesty, and is consistent with the memoir on Darien, written when the expedition against Spanish America was on the eve of execution. Defoe's words apply to no one but Paterson; and, applied to him, they are a just tribute to his merits, as well as feelingly indicative of his disappointments.

King William had at length become convinced of the importance of the Scottish enterprise, and of the value of a British settlement at Darien as the means of cutting off French influence from Spanish America and its treasures. Admiral Benbow was sent to the West Indies, and Lord Peterborough was appointed to follow in command of the land forces, to carry out the designs so elaborately set forth by Paterson in his Memoir addressed to the king in 1701. His Majesty's premature decease diverted the principal attention of the English Government to the German and Spanish campaigns.

The value, indeed, of the settlement planned by Paterson for Darien has never been duly considered; and quite enough of the earth remains to be settled, to make a due consideration of that great plan desirable. A Scottish pen could not be better employed than in writing the history of it; for, strange to say, no such history exists, although the best materials for it abound. This settlement was one of the first objects of Paterson's life, and besides the more important subjects of the payment of the National debt, and the Union, it was the last to which he gave great attention. There seems to have been only one material error in his views on the subject. He certainly miscalculated the distance across the north Pacific from Panama to China and Japan; but that error was magnificently compensated by his argument in favour of peaceful trading with such countries as China and Japan, in preference to their conquest; and one of the best uses to be now made of a study of his works would be to set forth his principles in the light they throw on that stupendous topic.

After persevering a few years longer from the death of King William, the Darien Company was suppressed in 1705, by the treaty of Union, upon condition that the new Parliament should appropriate a certain sum of money as an indemnity for its losses; and out of this sum Parliament in 1715 specially voted £18,241 as Paterson's share of that indemnity.

The reign of King William the Third offers an instructive example of the way in which great opportunities of good are lost by false policy. In that reign, an illustrious Emperor of China, Kang-Hi, was eager for peaceful intercourse with Europe. He received the French cordially for that The unhappy disputes of the Roman Catholic missionaries in China destroyed the excellent prospect after they had themselves most ably opened it. With the universal toleration declared by Paterson in his Darien constitution, a PRINCIPLE AT THE PRESENT DAY PREACHED IN THE VERY CHURCH IN PARIS BY A DIGNITARY OF THE ROMAN CATHOLIC FAITH, the hundreds of millions of Chinese, and Japanese, and Siamese, and their fellow Asiatics would have continued to be our fast and familiar friends. With a revival of the peaceful practice insisted upon by the merchant Paterson, we might now secure the hearts of those hundreds of millions of Asiatics for our and their advantage.

Darien, too, promises to be settled; and a ship passage to the Pacific will probably be opened there under even more powerful auspices than Paterson hoped to conciliate.

# PATERSON'S PORTRAIT AND THE FAC-SIMILES.

THE portrait of Paterson was found in a MS. in the British Museum.

The volume was purchased at the sale of the Heber Library. The drawing in the Museum is a copy, the original of which is not known to the editor.

The arms, three pelicans feeding their young with their own blood, are the symbol of self-sacrifice, of which the motto, sic vos non vobis, is an apt interpretation of Paterson's story.

The portrait, with its motto and its shield of arms, has a peculiar value in regard to Paterson's story. It was made in 1708, in his lifetime; and it has a pendant in the dedication of Mohl's folio map of Darien, to Paterson, along with the dedication of other maps in the same collection to Prince George of Denmark, the Duke of Marlborough, Lord Somers, and other great men.

The fac-similes of Paterson's handwriting will be useful for the purpose of identifying more of his MSS., which it is believed exist.

The cotemporary documents, taken together, set Paterson among the gentry of Scotland.

The fac-similes are from originals in the Bank of England, in Doctors' Commons, in the Advocates' Library in Edinburgh, and in the State Paper Office.

The last signature of Wm. Paterson, in December, 1718, was written a few weeks before his decease. He was then in trouble, as shown in his tremulous handwriting.

### SOURCES OF INTELLIGENCE, AND ACKNOWLEDGMENT

#### OF ASSISTANCE IN THIS WORK.

In explaining the sources from which the new information in these volumes has been collected, the Editor caunot express in terms strong enough, his sense of the obligation he is under to the learned keepers of those repositories.

The British Museum first gave him the MS. of 1701; and so suggested, in 1849, the existence of Paterson's numerous writings. The Museum has since been found rich in similar stores, and at the eleventh hour, Paterson's portrait, and his valuable Union letters printed in this volume, were discovered there in manuscript. To Sir Henry Ellis, to whom the editor is indebted for many kind attentions, now running beyond forty years; to Sir Frederick Madden and his colleagues, he desires to offer these public thanks.

In London also, the State Paper Office, the Public Record Office, the Admiralty Records, the City Library in Guild-Hall, the Libraries of Sion College; of the Institution in Finsbury Circus; of Lincoln's Inn; and of the Royal Institution, have all been searched with advantage for MSS. and rare tracts. The Parish Books in St. Margaret's, Westminster, those of the Middlesex Commission of Sewers, and the Hampstead Water Works Company's papers have contributed good facts. The records of the City of London, of the

MERCHANT TAYLORS' COMPANY, and of the BANK OF ENGLAND, have been consulted with advantage, but insufficiently.

A full acknowledgment of the aids afforded to the editor, in the foregoing important historical depositories, would demand the publication of names far too numerous for this place.

The register of the Privy Council, and the MS. records of both Houses of Parliament would doubtless furnish materials of the highest authority in such researches; and it is hoped they may one day be freely open to public inspection.

In Oxford, the Bodleian Library has been consulted with great advantage; and the editor is proud to return his grateful thanks to the Reverend Dr. Bandinel, its venerable director, for helps none better than he knows how to afford to diligent students.

In CAMBRIDGE, the Public Library is rich in Tracts, requiring only a catalogue to be valuable in historical sources.

In the Town Records of Dumfries, and in those of the University of Glasgow, much information has been obtained.

In Edinburgh, the Advocates' Library, with its vast collection of Tracts, and its remarkable MSS., the Signet Library, the City, the Exchequer, and the Scottish Public Records, all opened with the greatest liberality, have only been too little examined by the editor. The extraordinary collections of the late Principal of the University, the Reverend Dr. Lee, alone would have rewarded his visits to Scotland. The librarian of the Advocates' Library in Edinburgh, in accepting the editor's thanks, will not regret this expression of sincere regret for the premature loss of his late colleague Mr. Chalmers, whose accuracy and great intelligence, and whose unwearied attention

to very troublesome inquiries, call for special acknowledgment. The Curators of that ancient institution gave the editor facilities for which he gladly thanks them.

Of Mr. David Laing, the Editor can only say that, without his encouragement and his guidance, even the slight success that has attended this work would have been unattained.

In Manchester, another warm friend of literary research, the PRESIDENT of the CHETHAM Society of LANCASHIRE, has never ceased to encourage in every way this effort to do justice to an "extraordinary" man, as Mr. Crossley justly designates Paterson.

To have Mr. Crossley and Mr. Laing's approval of the effort, has been reward enough for any labour bestowed upon this work. In Manchester, much to the editor's purpose was found in the Chetham Library; and, above all, in the Free Library, where is preserved, among other treasures in the Literature of Trade and Finance, the collection of the Banker and the Economist of the last century, Mr. Magens. The late librarian of the Manchester Free Library, Mr. Edwards, will not be displeased, the Editor hopes, to find here a slight return for his friendly help in using the stores once under his able superintendence.

It would be a serious omission not to mention the proprietors of antiquarian bookshops everywhere, as great helpers to this work. They are admirable literary conservators, and most liberal to impart their great knowledge of books, as well as also liberal in permitting the free use of them. In these days of recognizing neglected works, this numerous body may without impropriety be reminded, that to a Paterson,—to Samuel Paterson, of the last century, they owe that in-

dispensable branch of their business,—the improved constructing of Catalogues.

Lastly, the Editor has to thank his subscribers to this work; and a careful list of them will be drawn up. Such a list accompanies the best edition of the British Merchant, of Queen Anue's time; and it was with satisfaction that the name of William Paterson was found there, with that of Addison and other early promoters of British commerce. His own list will not be found wanting in modern names in every branch of science, whose support the Editor anxiously hopes he may have merited; and to the memory of the late Sir Edward North Buxton, he is glad to offer a tribute of grateful acknowledgment of aids, the more acceptable as such approval of this work was a continuance from of old, of a kind confidence in the Editor's zeal and industry.

### APPENDIX.

A REVIEW of the Universal Remedy for all Diseases incident to Coin, with application to our present circumstances. In a Letter to Mr. Locke. (1st Ed. 8vo. pp. 57. London. Churchill, 1696).

Ex. Hist. Mat. Paris. Ad Annum 1248.-32 H. III.

"In those days the money of England was so intolerably abused by detestable clippers and false coiners that neither the English inhabitants, nor even foreigners, could look upon it unconcernedly, and without vexation; for it was clipped almost to the innermost ring, and the border of letters either wholly taken away, or very much diminished. Whereupon proclamation was made in all cities, boroughs, markets, and fairs that no piece of coin should be received or pass, either in buying, selling, or exchange, unless it were of lawful weight and of circular form; and that the transgressors of this proclamation should be punished."

#### To JOHN LOCKE, Esq.

SIR.

I am assured that amongst the least of your observations upon the various dispositions of men's minds you have oft remarked (nay you have indeed expressed the same thing in the preface to your excellent Essay) how a little difference in the turn of a thought, or change in the manner of expressing the same proposition, is apt to produce a different effect upon our understandings, and that what appears evident truth to one man, in his way of conceiving it, does many times, by the clothing of some phrase, seem as evident absurdity to another. It is not only with the eye of our mind, as with those of our body, in that a different situation occasioning a different reflection of light from the same object represents it to us under different colours; but there seems to me a real difference in our intellectual faculties, nay even greater than in our outward senses; and this, I say, from whencesoever it arises, is certainly within ourselves. The same truth, in the same point de vue, does not always (nay perhaps it does very seldom) strike the minds of different men in the same manner.

I intreat you, Sir, be not offended at my offering you such you. II.

obvious considerations, and such as I acknowledge also to be your own, in the entrance of my letter: for I intend to do the same thing throughout, yet nevertheless I premise this as an apology for the rest.

There is no man, I think, that wishes well to his country who is not deeply afflicted with the intolerable inconveniences we at present lie under, and the yet more threatening prospect that lies before us, from the late and present disorders in our But it is not without some wonder, when I consider with what demonstration you have proposed the only and the infallible remedy for this evil, that I observe how little that remedy has been practised; nay how little a great many men. whose honest intentions for the weal of England I have no reason to mistrust, are yet sensible of its virtues. The neglect of that remedy, and the dissatisfaction of those worthy men about it, makes me think it no improper task for me to try, if, by exposing your thoughts on this matter in any different light, I can render them more discernible to such eyes as were not fitted to receive the rays of truth that have issued directly from your own mind. This is the end of my writing, which I hope all men will, upon the first proposal of it. allow to be honest. How pertinently or impertinently I shall perform what I aim at must be judged when I have done. In the meanwhile I presume to address unto you this letter, which I intend for the public, because it is from you that I have received the ground of all that I am capable to say upon the subject; and when I make this fair acknowledgment, I hope neither you nor any one will call me plagiary.

The ground of all I call this fundamental axiom, that two ounces of silver of equal fineness are intrinsically (I mean without any consideration had of the workmanship bestowed upon them) of equal value. I have indeed received much more than this from you; but this alone carefully attended to I conceive sufficient to guide men's thoughts through all the seeming

intricacies that perplex this matter.

The present circumstances in which we now stand, this month of August, 1696, appear to me to be thus:—The greatest part of the clipped money that troubled us some months ago has been called in. I am told that the total sum hitherto lodged in the Exchequer amounts in tale to about five millions. There has been now coined out of it, in new weighty milled money, near upon or much about a million and a half. The loss upon the reduction of clipped money into weighty has been very near half: I will therefore reckon it so. The old unclipped hammered money that was remaining in the nation at the time

of calling in the clipped, if we consider how far it has of late supplied the whole business of markets and small payments throughout all England, we can hardly compute at less than two millions. The old milled money, considering that this hammered money comes out of hoards, and that whoever made such a hoard would certainly make it of the best he could, may very rationally be concluded to be more; but because we see not much of it appear, though I take the reason of that obscurity to lie in the inequality yet remaining in our coin, as I shall endeavour all along to make evident, I will reckon it less; and, lest I should have exceeded in my first conjecture, I put for this only one million. So that, however, these two species, unclipped hammered money and old milled money, yet remaining in England, may very fairly be esteemed to amount to three millions.

The inundation of guineas that we had amongst us last winter, whilst they went at 30s. may be thus computed. appears by the Registers of the Mint that since the first striking of that coin, in 1663, there have been coined of them (I know not the total sum exactly), but I am sure considerably above seven millions, which, reckoning them at 22s. a-piece, makes above eight millions of pounds of current money. take it for granted that they had not then been much exported in a way of trade, because it had never been profitable to do it, but always profitable to bring them back. What were exported at any time was chiefly by soldiers and travellers, in small sums, for their expenses, which could not amount to much. But whatever were in any manner exported, excepting to places very remote, or what have been melted down beyond sea, we may be assured were all brought back again hither, by the lure of that imaginary value which we then put upon them. us, however, allow largely (as I would in all computations that are only conjectural) for those that we have been so deprived of: say it were two millions, though that be very improbable. It follows, then, that we had the last winter at least six millions in guineas amongst us. The great flush of them that everybody saw would make one think there had been more, but this I am sure, they were so many that they alone served with great plenty, and even superfluity, for all our current payments.

That they have not since that time been carried beyond sea in a way of trade may be evident to any man that will take the pains to compute their price in Holland, and the rate of the Exchange here. I will do it once, for the satisfaction of those that are not accustomed to this sort of computation. The latest account that I have heard of the price of guineas in Hol-

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land (not many weeks ago) was eleven guilders twelve stivers in their current money, which is about five per cent. worse than their payments in Bank. The rate of the Exchange from hence to Amsterdam, paying the value of the bill here in legal money, has of late been between thirty-three and thirty-four shillings Flemish per pound sterling, payable there in Bank. Now, let us compute one hundred guineas, which are here one hundred and ten pounds, and let us take the lowest rate of the exchange, thirty-three shillings, it is evident that he who sends one hundred guineas over into Holland, in specie, receives eighteen guilders five stivers less than he who remits one hundred guineas thither by exchange—that is, he loses so much by the adventure, and therefore I say it is certain that no man does now send any thither upon account of private benefit; and whoever takes the pains to examine into those rates and prices backwards for all this interval since last winter, by the same way of computation, will find it as evident that hitherto no considerable quantities can have been sent. Nay, even without any computation, all intelligent merchants were sensible all along, by the continued course of exchange, that it was impossible any such thing could have been done, for the alterations in exchange are no less sensible upon the plenty or scarcity of money than the rising or falling of water in a river is upon the flowing or ebbing of the tide.

If, therefore, no considerable number of guineas have been exported since last winter in trade for private advantage, it remains only that we allow for what have been exported for the charge of the war, which, considering how little money the King has really had for use out of the supplies intended him the last Session of Parliament, whatever be the full estimate of that charge, ean by no means be judged to amount to one million-no nor half a million, at least not in guineas; but, however, let us call it a million, it follows still that we have five millions remaining in guineas, which, with the million and half, or thereabouts, of milled money newly recoined, exceeds the sum, whatever it was, that no longer ago than last winter made all our payments abundantly easy. Or if, instead of this consideration of our past ease, founded upon the sufficiency of guincas for all our payments, we choose to look back upon the clipped money that not long before supplied all our occasions, for it is evident it did so-before the rise of guineas nothing else appeared, nay, nothing but the very worst of it-we may certainly conclude from the sum carried into the Exchequer, about five millions, that the total sum of what then passed was much short of our present stock of guineas and new milled money; so that either way the three millions of old milled money and weighty hammered money before-mentioned, be it more or less, may be reckoned, as it is in reality, so much superfluous treasure.

But to make up the computation of our present stock of national wealth, I must add also the clipped money that lies yet in the Exchequer uncoined, which it is evident by the foregoing computations will amount to about one million more when recoined. The clipped money in private hands, not yet brought in, should also here be added; and likewise the plate of public houses, with no small quantity in private houses too, for if there were a Stock prepared to exchange it, a very considerable value of plate would infallibly be brought into the Mint without delay; but as I have no ground whereon to build a conjecture upon those heads with any solidity, I therefore leave them undecided. However, from this whole computation (though it eannot be pretended to be exact), yet I think it so near the matter, that we may certainly conclude the stock of our present eoin, without comprehending our plate and bullion, to be at this day abundantly more than what might barely suffice for our commerce, markets, and expenses, and might make all manner of payments easy.

I see here only one objection. Some may be apt to say, that neither our elipped money nor guineas did suffice, either of them alone, for our current payments; because a current credit in bills of several kinds did then serve for more than both of them together. It is true; but to this I answer, the same credit ought to be computed still: for though in effect it is at present less, yet hefore I have done, I shall not spare to offer what, in my opinion, would make it as entire and large as ever, and therefore I shall at present go on with what considerations offer themselves to my thoughts in relation to our coin, properly so called.

And thus what I have said of the sufficiency of our present stock of coin for our present occasions, I think, is unquestionably true; yet, nevertheless, we all feel, and deeply groan under the sense of an effect directly contrary. Payments are so far from being made easily, that there are scarce any made at all. Some little money indeed is stirring in this city, which supplies the markets, serves to purchase things absolutely necessary, and pays the price of day labour, that could not be had without it; but in greater payments there is a general stop. And that obstruction naturally makes the money which should circulate in the lesser channels that I have now named, flow more slowly than were necessary for the general health of the body; nay, as

those channels lie some of them at greater distance than others from this city, the heart and spring of life and motion, so the faintness and want of spirits in the counties is still more

grievous.

These things, I say, are so very notorious, that it is wholly needless to spend any time in the description of them. The only thing that I esteem useful (worth either my pains to write, or anybody's patience to read) is, what may tend in some manner to their redress. But that I may be able to propose the remedy with any evidence, it is now absolutely necessary for me to examine a little into the rise of the mischief.

How the first rise of all these inconveniences was from the clipping of our old hammered money, and the currency given to it when clipped, though nobody seems to doubt, yet the perplexity men are in about the cure makes it needful for me a

little to demonstrate.

This, Sir, was the first infringement of your unalterable rule. It made an inequality in the intrinsic value of different pieces of our coin, which passed still under the same denomination; an absurdity easily remarkable; a force upon nature which could not hold. And what were the consequences of it? Nature wrought still in her own methods. At home, whilst no remedy was applied, the corruption spread, the disease increased. The observable inequality in the real value of different pieces, which had a false (yet current) estimate put upon them, made some men proceed still further in clipping the broad; others melt down, and everybody hoard up the heavy; so that in the end we had nothing but clipped money (I speak all along of silver) prodigiously clipped, to the diminution of above half the value, that passed amongst us. And as the body of the nation laboured more and more under this uneasiness, it began to seek for ease (if I may use the metaphor) by shifting of postures. Is there no remedy, said the tradesman, to be had from any public physician? But must the weight of sixpence pass to me in tale for a shilling? I'll find out what shall make me easy, at least, though it do not cure the disease. In proportion as ill men go on in clipping our money, and all men in making use of it, I'll endeavour by the same degrees to raise the price of my commodities, and so be even with them all at once. He did it so in effect; everybody did so, and the price of everything rose apparently. Even gold itself, though it kept its former proportion to silver, yet rose in the same manner, in proportion to the coin then current. Nay, what seems very paradoxical, silver was ordinarily said, and it is incredible how ordinarily it was believed, to rise too in proportion to itself. Thus the admission of one absurdity drew on innumerable others. But in the meanwhile what was our real case? Since we were so inadvertent as not to understand it ourselves, we

might have learnt it from our neighbours.

Foreigners were not imposed upon by our mistakes: they considered not the nominal, but real value of our coin, and sold us their commodities too at proportionable rates. But especially they taught us the true estimate of our imaginary riches, by the course of exchange between their money and ours. Exchange I may call the balance both of money and trade, between all nations that have commerce with one another. balance may fluctuate awhile upon every little jog that it receives; but upon the least addition of more weight into one scale than another, it will certainly incline or fall down on the heavier side, and show what the difference is. Thus by the course of exchange between them and us for a long while together, rating their money, in the exchange of it, still more and more, in proportion as they found that we diminished ours, they showed us as visibly as the sun at noon day, that however we might esteem ourselves "rich, and increased with goods, and to have need of nothing," yet in truth we were "wretched, and miserable, and poor, and blind, and naked."

This Scripture expression suits so luckily, I had like to have said unluckily, to our circumstances, that it were easy from thence to draw a comment, with application to our national estate, much larger than what I intend to write upon this whole subject. But I proceed. The alterations that ever happen in the rate of exchange between one nation and another, considered merely as arising from the different value of their coin, either in respect of weight or fineness, I take to be of little consequence to either nation, any longer than till by trial and computations on both sides that difference is found out and known. Till that be done, the quickest observers on both sides have indeed opportunities of making advantages of other men's inadvertency. But this can last but for a small while; nor can it ever amount to so much as to be of any great moment to the whole. The real value of coin, that is, the quantity of silver that is in it, is quickly known, and grows insensibly, even without any distinct knowledge of it in the generality of traders, to be the rule of commerce between one nation and another. And when that is once in this manner settled, I say the consequence of it seems to me to be no more than as two opposite looking glasses that mutually reflect each other's figure. This nation is made to know the true value of its money, by the estimate put upon it by the other; and that other is made to know the same thing, by the estimate put upon its money by this. Neither nation is either richer or poorer by the denomination they give to their pieces or sums. When it is known how many of the lesser value in this nation are equal to one of the greater in the other, that number is called the par. There the balance left to itself will stand; and can only rise or fall, on either side, as it receives accidental jogs from the change of circumstances in trade, state, or whatever

else brings plenty or want of money to either side.

This shews by the way, that neither the clipping of our money (if all had been clipped equally) would have done the collective body of the nation (considered singly as one man) any great harm; nor would that which some men call the raising of our coin have done us any good. Foreigners would have estimated it only by its weight and fineness; and in all occasions of exchange, allowed us more or less of theirs in due proportion. So that however one particular man amongst us might outwit, overreach, rob, or plunder another, the whole body of the nation I say, with respect to the rest of the world round about us, would have been neither richer nor poorer by the matter.

What was it then that has done us the mischief that we complain of? The thing is so evident, that it is an astonishment to me how any one can ask the question. Yet it is certain that many do: and as certain that others resolve it, with as little reason as these ask it. I would have those that are yet in doubt upon this point first ask themselves if they can conceive any difference in the intrinsic value of two pieces of silver that are of equal weight and fineness; abstracting from the consideration of the workmanship, as I have laid down your axiom for my foundation. If they can say to themselves in their own minds that they do conceive such a difference, I would be glad they would tell me wherein it lies: but if they find that difficult to explain, and yet nevertheless persist in fancying that they conceive it still, I advise them fairly to lay by this paper and trouble themselves no further with what I shall write. For their way of conceiving things and mine are so very unlike each other, that I am sure it is impossible for either of us to comprehend what the other means. All our discourses (though in never so plain English) would be mutually eternal gibberish to one another's understanding. But if they acknowledge themselves convinced, that indeed there neither is nor can be any such difference, but that one ounce of silver will be always intrinsically of the same value as another ounce of the same fineness; then let them go on to ask themselves if two half-ounces (I mean always of the same fineness) be not also of equal value to one whole ounce. They must of necessity answer this affirmatively. Yet let us put it still plainer. Are not two sixpences (as first coined) equal in value to one shilling? Yes. Is not one shilling clipped to the weight of a sixpence diminished half its value? Yes. Is not one entire sixpence equal in value to one such clipped shilling? Yes. Is not one entire shilling equal in value (neither more nor less) to two such clipped shillings? Yes. I hope nobody will be offended with these trivial questions: if they are, I must desire them to lay the blame upon those that are yet doubtful about such trivial and clear things. For the whole mystery of the mischief we now inquire after is in effect no more than a false answer to those easy demands, and I think can be no way better explained than by laying it barely open.

Thus it happened: we tacitly determined by our general practice that a clipped shilling was of equal value to an unclipped one. Our national eyes were blinded to that absurd degree, but some particular men saw much clearer in their own private concernments. What followed? We have seen already how the price of all commodities, both foreign and domestic, were raised upon it. But how did our moneymongers, those whose chief commodity was money itself, behave themselves in this conjuncture? They were acute enough to see the public error: their furnace and their scales had taught them the real value of the money they managed, so that they could not be deluded with false names. How far some of them have contributed to the delusion of other people, though it be past all doubt, yet I cannot say it is too obvious. The most honest among them (for in all estates of men there are degrees of comparison), since we were fools enough to accept of half an ounce of silver for a whole ounce, paid away upon all occasions their money of that size, and hoarded up the more weighty pieces to be made use of as future occasions should advise. Had they all stopped here and gone no further we could not, in those circumstances, have much blamed them; nay, perhaps we ought not to have done it at all: but the ground on which they stood was a declining plain, and so slippery that it was hard for them to hold their footing. Who that had a hoard of weighty money lying useless by him, and found chapmen that would buy it of him for a greater sum in tale, which he could immediately pay away again as if each piece had been equal to that of his own in value; I say, who is it that in such an occasion would refrain from so profitable a trade? Very many, I am sure, on less occasions than this, are apt to solve their own

scruples with a Qui vult decipi decipiatur. But whoever they were that remained thus scrupulous, I am sure the practice became general; and the facility of it enabled the clippers (who, by the way, are moneymongers too, though I would not confound them with those that I first designed by that name,) to carry on a practice yet more unjustifiable. This practice of buying weighty money (which could not have been done if there had not been sellers) and then clipping it, grew in the end so notorious, that the parliament thought fit, in their wisdom, to forbid the selling of any species of our silver coin for any more (in tale) than it was first coined for.

But did this prohibition, though by Act of Parliament, cure the evil? Alas, no. The forbidden fruit was of too luscious a relish to be so easily relinquished: it was not in the power of any paperspell to stop the spreading gangrene. The trade of buying and selling of weighty and clipped silver money slackened perhaps a little; but the exchange of gold for silver came in the place of it. A guinea sold for twenty-two broad shillings, when it was worth more clipped ones, answered the end of both buver and seller (in which they mutually understood each other without ever a word speaking) altogether as well, and was a practice without the reach of the law. Or however that trade were carried on, it is certain that the more pernicious trade of clipping increased. Whether any of the former sellers became clippers themselves, or entered only into closer combination with those that were so before, I cannot tell. But it is certain, I say, that clipped money daily increased upon us; and that such an increase of it could not be made without great support, great diligence, and great numbers both of workmen and managers.

Nay, even this is not yet all. When our broad and weighty hammered money, by the diminution of all that fell into these artful men's hands, became so rare, that there was scarce any matter left where withal to carry on the clipping trade any longer, then the art of coining was taken into alliance with it. Whatever parity our laws have made in the punishment of those two offences, they were formerly in themselves very different, and, in some sense, even inconsistent with one another. Not only a plated piece, which was the chief sort of false coin, could not be clipped with any profit; but if it were so, the second cheat served to discover the first. But now our stupidity in receiving money that was visibly clipped, as if it had been entire, taught both these artists a new method of improving their own trade. It was but coining new pieces, which they could do with all the appearance of antiquity, either of standard silver, or so little worse, as was not visible to the eve, and afterwards clipping them, their profit was sufficient. By this conjunction of industry, the work was carried on more effectually than ever. How much of our old milled money was melted down for this service, I know not; but certainly some. And if a more effectual stop had not in the end been put to this rotation of melting, and clipping, and coining, and then clipping, and melting, and coining again, we should infallibly by degrees have had all the silver in the nation turned into shillings of the weight of threepences, or other pieces in the same proportion. But, now I reflect on it, what a stock of riches would this have been? Certainly much greater in tale than ever England was Nay, if once the arbitrary denomination of a piece of silver (as you, Sir, have fully manifested) had had this charm to make three pence become a shilling, it might as well have gone on to convert it into a crown, or a pound, nay, multiply it in infinitum, more than ever the cheats of alchemy itself have pretended to; but every one sees the ridiculousness of this conceit, and that we should have been no richer in reality for many millions of mararedis than for a few hundreds of our ancient pounds sterling.

However, now methinks it should seem evident in a good degree, that the rise, and spring, and root of all this mischief consisted singly in the facility given to the currency of clipped money. We forgot that one ounce was equal to another, and that two half-ounces were equal to one whole one: and so being content to take halves for wholes, we were put upon accordingly; but if any remain yet doubtful, either of the thing or of the mischief that ensued upon it, let them reflect a little upon the consequences that this inequality in our silver coin had also upon our gold, and I hope they will be then con-

vinced.

When our silver was become generally diminished, and our gold remained entire, it was a thing too obvious not to be observed by every one, that a piece of gold, a guinea, that had been several years together current at twenty-one shillings and six pence, whilst our silver was undiminished; I say it was impossible not to observe that this guinea ought now to bear a greater proportion in tale to our diminished silver coin, according as by the diminution of that coin, there was grown between it and the guinea a greater disproportion in real value. And what could be the consequence of this observation? the nature of the thing shews whither it inevitably tended. The consequence could be no other but that men would either hoard up gold, as I have shewn they did weighty silver, or sell it for more diminished pieces of silver than it was worth of weighty

ones. And thus in effect it happened. Guineas rose by degrees to pass for twenty-five shillings, twenty-eight shillings, and

thirty shillings, of our diminished shillings.

Now let us take a general view of the state of our moneymatters at that time. We had guineas, as they were first coined, undiminished. We had also some quantities of old broad gold of several sorts, which being also undiminished, kept its fixed proportion in esteem to the estimate put upon guineas, as it had always done. As the one rose, so the other rose, only with this difference: the pieces of broad gold, of the same sort, being not so exactly equal with one another as were the guineas, nor the weighty pieces amongst them knowable by the eye from the light, this made the use of scales necessary in receiving of them. And that trouble of weighing this broad gold made guineas a little more acceptable, because payments were made with them more easily. Yet this alone, though it changed nothing in the real value of either, nor could it be whilst the use of scales preserved inviolably their first proportions, was sufficient to make great quantities of that broad gold be carried to the Mint, and coined into guineas. It did it accordingly, not for any real advantage that accrued to any body thereby, but merely for the sake of a little ease and conveniency. At the same time, whilst gold continued thus fixed, one piece of it in respect to another, the silver coin that remained amongst us, as has already been observed, was very different. We may divide it, in our consideration, into milled money, which was evidently in the state in which it had been first coined: and old hammered money, whereof some was a little diminished by wearing, but the far greater part of it very much diminished, though in very different degrees, by clipping. And now it is time to inquire into the further consequences of this great inequality of our silver coin, with respect to the fixed equality of our gold.

We have seen how in silver itself, the inequality caused culling, and melting, and coining, and clipping; mischiefs, one would think, bad enough. But in gold, the consequences were yet more fatal. When guineas were risen to thirty shillings a-piece, and the broad gold in proportion, then all the old hoards were brought out; everybody was ready to put away what gold they had at so advantageous a price; but when that profit was once made, when the old hoard was once changed, with most men there was an end of it. Few understood the art how to repeat the same profit in a perpetual circle; that belonged only to our artful money-mongers, and they did it to the purpose. They found that by melting down our weighty silver money,

culled out of the great sums that passed through their hands, and sending it over as bullion into Holland, they could either pick up the guineas that had been formerly transported and scattered there, or buy gold, in the ingot, at moderate prices, and have it coined here into new guineas, which return produced them above thirty per cent. profit. Profit, I say, to them; but in the consequence of it, when guineas fell from their imaginary to their real value (as it was absolutely necessary they should) a very great loss (though I will not say just the same as those men's profit) to the nation. How any persons managed the matter of melting down silver coin, and then exporting it in bullion, is best known to themselves. "My soul enters not into their secrets." But that some persons did transport vast quantities of silver bullion, and carry vast quantities of gold to be coined in the Tower (all in a few months' time), was manifest by a list both of their names and sums given into the House of Commons at their last Session. was in a way of trade which circulated quick; and, if by the reduction of guineas to twenty-two shillings it had not been stopped, we should not have had one weighty piece of old money remaining amongst us that these new exchangers could have reached; nay, whatever has been new-coined since that time, if it had fallen into the same hands, we may conclude, by parity of reason, would have followed the same fate.

But let us not lay all our mischiefs at our own door. What we were singly guilty of (I mean the folly of not observing any difference between a half and the whole—a clipped and a weighty piece) was great enough, and the root of all the rest. But when that folly was once discovered, foreigners knew how to take advantage from it as well as the cunning men amongst ourselves. The Dutch sent over guineas too, and ingots of gold, upon their own accounts; but, not having the same opportunity of picking up our weighty silver money as some had amongst ourselves, they laid out their gold in woollen manufactures, and other of our most staple commodities, which, when they had carried back into Holland, it was found that, by the profit they had made upon their gold hither, they could afford to sell our commodities in Holland cheaper than those of our own merchants who had carried the same sort of commodities

thither without any such previous profit.

The mischiefs of all this management to England are too, too obvious. I will not trouble either others or myself with a deduction of them. The only thing that I desire to inculcate by all that I have yet said is, that the ground of all these mischiefs lies in the difference of the intrinsic value of the several

pieces of our coin that go under the same denomination, that is to say, in the currency of clipped pieces, as if they had had

as much silver in them as the unclipped.

This I say was the disease we laboured under in our coin. If anybody can tell me of any other, I desire to learn it; but if they do not, I must take this at least for granted; and then it will be easy to see what is (and what only can be) the proper cure of it.

Yet if any should allege that our national disease is not simple, but complicated; that we labour under a consumptive trade, under an expensive war, and (worse than all) under a general corruption of manners, I inquire not at present what truth there is in each of these allegations; but I answer, upon their supposition that they are true, let proper remedies be applied to all those several indications. The very naming the diseases denotes the remedies. Yet those remedies require the skill of ablest physicians, and particularly experienced in each

ease, to direct the application and use of them.

But however that be, the disease in our coin, I think I may say, is unquestionably evident to have been in the inequality of it. I will not ascribe to myself the merit of having demonstrated it to have been so all along, till the time that Parliament, the last Session, prescribed a remedy; for the thing is so clear in itself that, as it needs no demonstration, so neither can it receive any greater evidence than what every man will perceive who opens but his own eyes and looks upon it. it is further needful that we now inquire into our present case, into the cure or progress of the disease, since that remedy has been prescribed. Some symptoms of our distemper are indeed changed, but we are all sensible that the public is far from having received a perfect cure. Let us therefore examine a little what operation this parliamentary physic has had upon the body of the nation, and what our remaining symptoms give us yet reason to hope or fear.

The stopping of clipped money, with a recompense established for the payment of it into the Exchequer, and no provision made for its usefulness in any other method, has carried the greatest part of it thither. The King has his coffers full, but can make no use of it faster than it is new coined; and, for the loss that will fall upon him (which is computed to be about a half part), he has a fund settled that everybody agrees will fall vastly short. The charge of this fund, however, the nation bears, though I doubt not in a very equal proportion. But who is it that has the benefit of this charge which is laid upon the nation, and the loss that yet falls upon the King?

Certainly not those for whose sakes the recompense was proposed and given. The poor labourer, the countryman, and the middling sort of industrious people were said principally to be taken care of. But those are not the men that have received it; nor indeed could they, any more than by the advance of some part of their taxes. The great sums of clipped money that have been carried into the Exchequer have been upon loans, which could not come but from the rich, at least from such as had opportunities of managing great sums, whether of their own or other people's. If these too had carried in nothing but their own, nothing but what had fallen into their hands without hidden artifice, I know nothing that could have been objected against it. But those that suspect the contrary allege this reason for their suspicion, viz.: because it is notorious that they are generally charged with great debts, and (as they say themselves) incapable to pay their creditors till they receive their reimbursement out of the Exchequer. By what practices they collected such vast sums of clipped money, and upon what conditions (for they understood those matters too well to take them for nothing), is a consideration that deserves also to be reflected upon. But I now pass it by. I only observe that these were the men (the very same men, in great measure) that had so well understood how to improve the first disorders in our coin to their own advantage, who now in like manner engross unto themselves almost the whole benefit of the public remedy.

What followed next, when these Masters of Art had thus thrown the burden they had collected upon his Majesty's shoulders, and upon condition, too (if I may express it so), that he should pay for his own pains (for the interest he allows answers that comparison)? They then cast about to see what further advantage could yet be drawn from the circumstances in which the nation then stood. The Parliament, in their provision against the currency of clipped money, had not thought fit to lay any new penalty upon the uttering of sixpences clipped to a certain degree, but not within the innermost ring. This seeming favour to, or connivance at, so small a fault, if it could have been restricted to a moderate use, might perhaps, for some little while, have been some little conveniency to the nation, in facilitating change and small payments. But that was impossible to be done: and we were taught by the effect how dangerous a thing it is to allow the least transgression in so nice a matter as this of coin. Notwithstanding all the loans into the Exchequer, immediately after the course of other clipped money was stopped, we had a flood of these clipped sixpences poured

out. The dealers in money offered them readily to all that demanded any payment of them. But not a guinea appeared, though these gentlemen had certainly great sums of them in their hands. I say this certainly; for it cannot be denied that there were then several millions of guineas in the nation, and that the great flush of whatever coin was in the nation passed at that time through their hands. Not a weighty piece of old hammered money, either, would they produce, though it is notorious that many of them had bragged beforehand, as the prospect of the stop of clipped money opened, that they had their chests well filled with stores of that kind, which had not seen the sun for several years. No, nothing but clipped sixpences was left. It seemed as if by a miracle all the rest of our coin had been transmuted into that single species. Nay, if the people themselves had not been wise enough to put a stop to this practice (by refusing to receive them) it is certain that (without any miraele) all our silver coin would in a short time have been really so transmuted. The coiners, as I have shewn before, would have found their account by it, and the work would have been done.

Now if any one can shew me any other reason why these diminished sixpences were so readily produced, and other weighty silver and guineas so closely hoarded, besides this that I have all along insisted upon, viz. because sums of the same denomination in tale, in one sort, were not equal in real value to the same sums in the other sort, I desire again to be instructed. But, however, I say this new danger was obviated by the people themselves. Nav, the same sense that taught them to resist this carried them yet further. They saw how, by a false gloss upon the words of the Act of Parliament relating to punchable money, a new currency was growing upon us for diminished shillings and half-crowns also. It is strange how men could satisfy themselves with so groundless an interpretation of plain words, or think it possible to persuade others to receive it. Could the l'arliament, by requiring that both the rings or the greatest part of the letters shall appear upon all pieces of unclipped hammered money, intend to favour the currency of any sort of clipped money, when in the very same paragraph, nay the same period, the sense of that expression is over and over again so plainly limited to unclipped moneyunclipped money that has those rings or letters appearing upon it, and the very end of punching is explained to be to prevent all manner of elipping? This false interpretation of the words of the law is not only a reflection upon the wisdom of the Parliament, but it looks too like a sly endeavour to cast an odium upon their proceedings, which those that sincerely wish well to England should be very cautious how they countenance. It is, however, an absurdity so gross that everybody saw it; and so the attempt of giving a currency to pieces erroneously called punchable was stopped by the general cry of the people, which in that occasion we may truly say was as the voice of God, for it shut up the flood-gates of ruin that were again opening

Thus the currency of all manner of clipped money was in the end entirely stopped. But it may here be objected—If that were the sole cause of our evil, why has not the stoppage of it immediately wrought our cure? for the remedy that I intend is so very obvious that I am sensible my adversaries—I mean the adversaries of this doctrine, for I thank God I have no one adversary in the world that I know of—will oppose it to me before I had thought fit to name it myself. Well, I must therefore answer their objection; and that opens to me a new scene, but such a one as is not unsuitable to the rest.

By money-mongers all along I have not intended to design any one particular profession of men, with exclusion of others. It is not against goldsmiths singly, scriveners, receivers, banks, or bankers that I direct any part of what I write, but against all, amongst all professions that have defiled their fingers with the foul management of money. Let every man lay his hand upon his breast, and he that is guilty accuse himself: for whoever can, upon reflection, acquit himself from guilt in these matters, I acquit him also.

This objection of theirs leads me to inquire into what ensued upon the entire stop (as I then reckon it, at least in this city) of clipped money. It must be acknowledged that our disease was so far from being cured, that in truth it redoubled upon us, and grew yet more insupportable. Now, if my doctrine be true, how came this to pass? I must desire the objectors to observe, that besides our several species of silver and gold we had yet another sort of money that had been current amongst us for several years. Notes or bills of credit I mean, given out by goldsmiths and others, and in the last place by the Bank of England, which notes, so long as the subscribers of them were known to be able, and either willing or compellable to pay upon demand, were some of them really more valuable, at least more valued, than such money as was current amongst us, whilst this sort of credit took root. But when these general cashiers of the nation began once to hesitate upon their own conduct (whether this happened through any jealousy, envy, and malice among themselves, through the real impotency of some or knavery of others, or through a concurrence of all these causes, I will not now determine), but, I say, when once some of these principal sources began to stop their course, and issue only in little dribblings not capable to satisfy the wants of those that had recourse to them, then there arose a plain distinction in real value between their bills and cash in specie. Paper, in little bits and scraps, had no value at all but from the writing that was upon it; and that writing received its value only from the credit of the person subscribing it. When that person, by any miscarriage whatsoever, forfeited his credit (as now by demurring upon payment), the value of the paper sunk in exact proportion with his esteem. I pass over the minute degrees of difference between one man's reputation and another's. The thing of most consequence, which fell all together under one sort of estimation, was the credit of the Bank. Their bills and notes were dispersed amongst us to a very great value, and by their stop of payment, when demanded, this paper of theirs, which had before been esteemed more valuable than money, became now to be less valuable. It became, in effect, neither more nor less, but perfectly a new species of clipped money, which has revived and augmented our first disorders, and how long it will continue them, God knows.

But here another objection, or rather a particular apology of these money-mongers, crowds in itself upon me. They offer against the blame I seem to cast upon them such sort of reasons as these: that the money which they owe to other persons was generally out upon loans to the King, and that therefore it was impossible for them to pay all their debts till they received it back from the Exchequer new coined; that, in such a scarcity of money as then reigned, if any one of them had began to pay necessity would have forced his creditors to fly to him all at once, and thereby to have oppressed him more than his neighbours; that it was reasonable, in a general calamity, that everybody should bear a share of it; and that people ought the rather to forbear them, because every one might be satisfied it would be only for a little time, and that their security in the hottom was good. All these excuses put together discover a root of corruption that lies very deep. What! is the morality of all men grown to this pass, that people can (without any sense of shame) have the confidence to own that they employ other men's money to their own profit with so little restriction as to hazard their credit by a disappointment, the consequence of which has been ordinarily ruin to themselves and loss to their creditors? Is this the common and sure way to raise great estates in a little time? I am sorry to observe it, for I am sure

it is not honest: Tuta frequensq. licet sit via, crimen habet. And whoever it be that had unwarily brought himself into such a condition ought to have exerted his whole power to free himself from it at what price soever. Should not the Bank, in such a distress, immediately have called in the forty per cent. that is yet owing by every member of it to their general fund? Nay, should not every particular member (if they had been but so wise as the children of this world ordinarily are in such concerns) have put his shoulder to the burden, and endeavoured to support their public credit by the conjunction of his own private strength? Should not other particular money-mongers (as well as the Bank) have pawned whatever they had in the world, plate, tallies, bonds, lands, anything, everything, rather than have wronged all mankind and suffered the infamy they have lain under? Honour, honesty, and interest obliged them to this course. I say even interest itself obliged them to it, for whoever had shewn but such a willing mind to do right to his neighbour would have immediately raised a reputation by it that would have given him advantages much superior to whatsoever price it might have cost him.

But the true reason of their backwardness in this matter is yet worse. The generality of the practice took away their sense either of guilt or shame, and a present interest made them incapable of considering another interest more remote. O how are our manners depraved! If there be but a door open to wealth we rush in at it without the least demur, though upon never so nasty a prospect of the passages through which it leads us. Lucri bonus est odor ex re qualibet. The first principle in the rules of our commerce is rem facias—we overlook the condition si possis rectè-and take the conclusion quocung. modo rem for a positive duty. And thus, with men that had no checks either of modesty or conscience, the present interest that determined their practice was the hopes of screwing exorbitant advantages out of the public necessities of the nation. They knew that both king and people wanted money extremely, and therefore they resolved to pay no debts, but lock up their chests (which some of them had by this time well filled with vast sums of new milled money out of the Exchequer), and make all that would have anything from them pay soundly for it. O detestable mankind! There is no sort of beasts that does not afford examples of an inclination to succour one another in distress. But we distinguish ourselves from them by our human (not inhumane) practice of oppressing those whose weakness or want obliges them to fly to us for relief. I am grieved at the severity of these expressions, which the malignity of some men forces knavery of others, or through a concurrence of all these causes, I will not now determine), but, I say, when once some of these principal sources began to stop their course, and issue only in little dribblings not capable to satisfy the wants of those that had recourse to them, then there arose a plain distinction in real value between their bills and cash in specie. Paper, in little bits and scraps, had no value at all but from the writing that was upon it; and that writing received its value only from the credit of the person subscribing it. When that person, by any miscarriage whatsoever, forfeited his credit (as now by demurring upon payment), the value of the paper sunk in exact proportion with his esteem. I pass over the minute degrees of difference between one man's reputation and another's. The thing of most consequence, which fell all together under one sort of estimation, was the credit of the Bank. Their bills and notes were dispersed amongst us to a very great value, and by their stop of payment, when demanded, this paper of theirs, which had before been esteemed more valuable than money, became now to be less valuable. It became, in effect, neither more nor less, but perfectly a new species of clipped money, which has revived and augmented our first disorders, and how long it will continue them, God knows.

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said is in some degree touched with it. But I beg your pardon, Sir, that I have let my thoughts be carried away by this objection from the point that I was pursuing What I have said on this is now sufficient to those to whom i appears reasonable, and to whomsoever it appears unreasonable it is already too much. I return, therefore, to consider how bank bills (and all other bills of the like nature), when they ceased to be currently paid, became a new species of clipped money amongst us, and what were the consequences of it They lost their first value (as I have already shewn) when the subscribers of them made stop of payment; yet the belief we have that they will still be paid in the end gave them a currency liable to all the changes of estimation that can happen in men's opinions about the secure or doubtful estate of those subscribers Thus they have at different times been esteemed at five or six at ten or twelve, and at sixteen or eighteen per cent. worse than legal money. But the least evident difference in the esteem of these bills from the real value of coin was sufficient to make al men that dealt in money lock it up still closer, and pay nothing but this new deficient sort. Nay, this has given opportunity to a great many new tricks of sordid knavery. What can I cal it else, when some men, refusing to pay their own bills, and no having impudence enough to ask allowance for such payment from their creditors, have employed other persons, and furnished them with money underhand, to buy them up upon discount Nay, when others (without any front) have refused to pay, bu themselves impudently offered to discount them? Nay furthe yet, when some (after having obstinately persisted in denvin they had so much as one guinea in their chests) have imme diately, upon threats of prosecution, produced and paid abov a thousand? What credit can be given to these men's words What respect is due to their pretensions? If this be not tru a great many men are belied. But some of these instances ar too well attested to admit of any doubt, and all carry with ther a great probability. And besides these, too, it is certain the retailers of all sorts that deal for considerable sums with other wholesale traders, though all their receipts are in legal mone in specie, yet seldom pay their debts in that manner, but the first buy up Bank or other such like bills a ten or twelve pe cent. profit (as it happens), and force them upon their creditors for good payment. Thus the first leaven has diffused itself through the whole lump, the infection is spread, and we have very few members left in our whole body that are entire and sound.

Now I beseech you, sir, if I am mistaken in this deduction of the circumstances that we have gone through by occasion of the inequality of our coin-I mean, if the mischief we have suffered in all these circumstances have not originally proceeded from that inequality-let mc know it. The view, I confess, that I have now taken of the whole matter does so strike me, that I am amazed at the doubt that some men are yet in about it. could hardly believe any man, that barely and cursorily said he was not satisfied that in truth things are as I have represented But the arguments and endeavours that are used in favour of pretended remedies, which I think infallible means of perpetuating the evil, shew me that all men are not of my mind, and that our danger is not yet over. I must therefore, in a few words, expostulate yet a little with those that think of any other remedy for these evils than that which I design. What that is I scarce need name. Every reader sees that if our disease be the inequality of our coin, the cure of that disease must consist in its equality. The speediest and the surest means therefore of procuring that equality is the remedy that we want, and the best that can possibly be prescribed.

This perhaps nobody will resist. Yet nevertheless some may possibly think that in the meanwhile, till all our old money can be perfectly equalised by the recoining of it at the Mint, a temporary connivance at the currency of some that is not too much diminished (which they call punchable) may be of some present

use to us by increasing the number of current pieces.

If the experiment had not been made already I should not wonder at this proposition. There would have been some colour for offering it to the trial. But when it has been already tried, and in every degree and circumstance found not only insignificant but pernicious, methinks men should at last give up so exploded a notion. If the currency of clipped money hath already had the ill effects that I have represented, the only thing that I can conceive possible to be said in favour of this new proposed currency is, that it should be pro tempore, and strictly limited to clipping in a less proportion than what has been formerly practised, which (may these proposers say) though it be indeed of a mischievous nature, yet being thus limited the mischief will be so small as to be much overbalanced by the conveniences it will bring along with it. This, I say, seems to me

the utmost that can be said in the case. But what does this amount to? Experience, the best schoolmaster, has taught us. The conveniency pretended is, nor can it be any more than that this method, furnishing us with more species, will make payments that are now so difficult become more easy. But do we forget what we have all been so long learning and what we yet feel, that every degree of currency given to defective coin is a new lock put upon the good? Has it not been so all along with us, and do not the Bank and other such like bills make it so still? If this important truth were slipped out of men's memories, I hope what I have now said may be sufficient to remind them of it.

O but methinks they bid me observe that this currency is proposed but for a short time, suppose till so much can be new coined as will suffice our current occasions. I answer, have we forgot again how evidently it has been proved that there is abundantly sufficient legal coin already in the nation (gold or silver) to answer all those occasions? And that it is chiefly, if not only, the currency of defective species that deprives us of the use of it? Have we forgot how the conjunction of clippers and coiners is apt to multiply such defective species in infinitum? Have we forgot how difficult a matter it was, what strugglings it cost us, after clipping was once introduced, to get any manner of stop put to it? And can we, upon these reflections, satisfy ourselves so thoroughly in these computations, of how much and how long, as to be willing to renew the hazards we have already gone through?

Yes, say they, in the how much of clipping at least there will be no danger, for the parliament has prescribed the bounds of it. The greatest part of the letters, or both the rings, remaining upon old hammered money decides the controversy. Still more forgetfulness. The parliament I say has not prescribed those bounds to clipping, but only described by that paraphrase what should be really unclipped. But, admit the parliament hereby intended what some contend for, he must be very acute that can decide any controversy about those punchable or unpunchable pieces by that rule. The daily contests whilst their cur-

rency was first offered at shew that it is impossible.

Well, say they, however, if these parliamentary bounds of clipping (for so however they are called) be not easily discernable to the eye, the scales at least may shew what pieces come within moderate and tolerable bounds, and what not, so that by their help we may securely avoid that extremity from which we have been lately delivered. I answer again the scales indeed will determine the matter of fact, they will shew what is the

weight of any piece, but who is it that will settle the law that will determine precisely the just measures and boundaries of clipping, those allowable diminutions of weight which the nation is obliged to admit as moderate and tolerable? The parliament has given no such rule, no such standard; no standard at all but that of the Mint, and that (God be thanked) they have taken care to perpetuate as it now is. I know nobody, therefore, that has any authority to prescribe any bounds to me but what the law of England has established, and I cannot but think them blameable that either directly or indirectly go about But, without considering the law, let any one try, if they please, in any market, if by a common consent of buyers and sellers, they can find out these nice boundaries between punchable and unpunchable pieces. Money that appears very tolerably large to him that is to pay it will appear intolerably clipped to him that is to receive it. Since therefore this project is neither lawful, nor profitable, nor practicable, I know no reason

at all why it should be anyways entertained.

I am glad, however, that these inquiries do in the end bring our antagonists to mention scales, and hope in time they will learn the true use of them. Let them weigh their own propositions in the scales of justice, and they will see that all sorts and degrees of clipping, whether it be by raising the value, as they call it, or diminishing the weight of coin, are manifestly injurious and unjust. If we had any sense of morality left amongst us, that consideration ought to have a greater weight with all men than we find it has; but I only now pursue the prudential topics of interest and conveniency. If scales would be useful in this case, as it is certain they would, upon supposition that the Parliament had determined to what degree each piece of coin might be clipped (but for want of that determination are wholly useless), then they will always have the same usefulness in every case where the weight of money is by law determined; that is to say, in all our old hammered money, where the form of it cannot assure the eye (as in milled money) that it is undiminished. In much of it the eye is competent judge, and may determine clearly whether it has been diminished or no by file or shears (though where it has been diminished the eye alone can never determine how much that diminution has been). In these cases, let it pass without further examination, de bene esse, but wherever that determination by the eye is difficult, where any the least doubt remains, bring all to the scale, without any regard to the tale of it, let it pass in payment exactly for what it weighs, it will be then exactly equal in value to our milled money; an ounce of the one

equal to an ounce of the other; all our money will be equal all at once, and the disease in our coin that we have so long

laboured under will be perfectly cured.

But here, I am apt to think, some persons that are convinced of the excellency of this remedy, may have yet some scruples about the practicableness of it. Objections of that kind are ordinary, and therefore must not be omitted; yet before I enter upon them, let me observe that this practice, the use of scales. is established through all the known world, and everywhere found highly useful. Besides, the inequality in many particular coins that requires it, the Spanish coin both gold and silver (which is the most generally spread of any) does all of it require that examen, and in most places, if weighty, is admitted at some fixed and current price. Ireland at this day has little other. But in all places, even here in England, the stamp being a security to the buyer of its fineness, it is so easily exchanged by weight either in great or small sums, that whoever has any of it can be in no want of anything so far as its value extends. I need not mention the practice now frequent amongst ourselves of weighing even guineas for the discovery of such as are counterfeit, the usefulness of that practice forces it upon us whether we will or no. Let us but east our own clipped silver coin into the scales, as we do the Spanish pieces of eight, and we shall immediately find an unspeakable advantage by it.

I beg the objectors pardon, for I am sensible they will grow impatient at this proposition, and tell me that the people will neither ever be persuaded to follow it because of the further public recompense which they expect for the clipped money that yet remains in their hands; nor if it were followed would it cause any greater currency of coin amongst us than do the Spanish pieces of eight that lie uselessly exposed to view on goldsmith's stalls. Here then, at last, the matter sticks: let us

try if we can remove the obstruction.

The hope of recompense is too flattering an entertainment for men's minds to be easily relinquished. Hope is the last anchor that men naturally hold to: but when hope of assistance from others is an occasion to any man of slackening his own private

endeavours, even that hope also ought to be destroyed.

I have hinted before that the recompense already given neither did nor could extend to those for whose sakes alone it was reasonable to grant it. Is there any reason to expect that any future recompense, if it should be granted, either would or could be more duly distributed? those that have most need of it are not at all better capacitated than before to comply with the terms upon which the first was settled; but those that

ingrossed that first advantage are now better skilled, and every way better capacitated than before to engross the second also. This consideration, methinks, should be no inducement to the Parliament to repeat the same practice. But, if it be considered also how much of the loss upon our remaining clipped money is already borne by those who had most need to be relieved from it, that, I think, ought to determine the Parliament's future deliberations against anything of that kind. The necessitous have already changed away what they had at 15, 20, 25, and 30 per cent. loss; and since that at 5s, 2d, or 5s. 1d. per ounce. This has been done, though I say by the necessitous (for I comprehend all under that word whose occasions urged them to do it), yet in very great sums, so that this part of our remaining clipped silver coin, whatever proportion it bear to the whole (I am sure great), being now in the hands of the rich, such as, since the 4th of May, have received it against the direct rule of the law, and so deserve rather punishment than recompense, ought not to be had in the least consideration. Indeed, the great bulk of that money must of necessity be in such hands, for the poor are not able to keep hoards. Must the whole nation, then, be taxed anew to make up to them the profit of 30, nay of 50, per cent. that they are gaping and reaching after? I hope not. Some rests of that money (to suppose the most favourably that I can) I must reckon to be in the hands of the countryman; if so, his circumstances make him incapable of receiving the expected recompense. might offer at other conjectures where some other scattered parcels of it lie; but the whole, I believe, will be found upon examination to fall into these three divisions: lodged either with men that deserve no recompense, that need none, or that can receive none. Why, therefore, any such recompense should be given I am not able to conceive; but why the hopes of it should not be entertained our present sufferings (the whole subject of this letter) ought abundantly to teach us.

The expectation of a recompense, it must be confessed, does hinder men from uttering it by weight, as I propose; the benefit of that utterance, if it could be obtained, I shall consider by and by. But whom is it that this expectation thus hinders? It hinders those money-mongers, wherever they are dispersed, that have hearded up clipped treasures. It has not hindered the necessitous, as we have seen. If it hinder the countryman, I know nobody more fit to set him right than his landlord; nor, if the loss be too heavy upon him, is anybody more obliged to bear share of that burden. But, in truth, this expectation would not hinder any one, whose particular sum is

not very great, if these men of deeper interest did not very artfully spread and keep up the rumour of it, that they may thereby be able, when time shall serve, to raise a general clamour wherewithal to serve their own unreasonable ends. Let this expectation be once damped, nay, let men but cease to sooth it, and clipped money will immediately issue by ounces, pennyweights, and grains, not pounds, shillings, and pence. The computation will, indeed, be new, but it will soon be learnt, and everything will be infinitely more easy than now it is.

But our adversaries here bid me not be too hasty. second part of their objection to my instance of Spanish coin is not yet answered. "Though Spanish money (say they) be bought and sold by weight in Lombard-street, our payments neither in city nor country are a jot the easier for it, nor would the sale of our own clipped money, in the same manner, facilitate those payments one jot the more than do the pieces of eight." To the first branch of this objection I reply. Those that have Spanish money, being in no expectation of any further advantage by it, sell it without more ado for what it is really worth, and receive English coin for it, gold or silver, to supply their occasions, which is so far at least a help to those particular persons. "Hold," say our adversaries, "that Spanish money, when thus bought, lies either buried in the goldsmith's chest, or is converted in his melting-pot to some other use, and does not furnish us with more pieces of coin than we had before to circulate in our payments." This is true, except when from the goldsmith it goes to the Mint, and then it does increase our species of coin, though after some interval of time. But, nevertheless, even in this manner it produces us (I speak of what is sold so at this time) a present advantage proportionable to its quantity, for it draws just so much legal money out of the hoarder's chests. And if our clipped money were all sold in the same manner it would not only draw out so much more of it (and if the whole were thus drawn out, I think I have sufficiently proved already that it is more than barely sufficient for our current payments), but it would itself circulate also (or might be easily made to do so) and set us at perfect ease; for the people being better acquainted with our own than with Spanish or any other foreign coin, would more easily fall into computations of the value of diminished pieces, and so, without carrying all directly to the melting-pot, pass them away from hand to hand in ordinary payments. This they have shown a strong inclination to; nay, they have actually done it in many places: and this they ought by all means possible to

be encouraged in; for were this thoroughly practised it would very much facilitate small payments; but in greater payments, any sum being thrown together into the scale, and passed by weight (no otherwise) all our coin would at once be equal. Then legal money, gold or silver, would infallibly come abroad, for no man could have any interest to keep up one sort rather than another; and our clipped money would insensibly slide into the Mint (just as our broad gold did some while ago) without any the least trouble or inconvenience. From hence, therefore, I conclude that it is the general interest of England (the present engrossers or possessors of the most considerable sums of clipped money being a very slender and very unplausible exception) that all expectation of a future recompense for what clipped money remains in private hands be utterly quashed, and that the passing of it immediately in payments by weight be encouraged.

This all honest men that are of my mind will certainly in their several stations contribute their endeavours to promote; but all men are neither of my mind, nor are all men honest. We have seen that abundantly in the foregoing account, both of our past and present circumstances; and if I should flatter myself that I had now persuaded any to change their opinion, yet the crafty knavery, and strength too, of those who intend not England's, but their own advantage, may, I confess, give us some reason to doubt that the success of what I have hitherto proposed will not so fully rectify all our national

disorders as I have asserted it would.

This obliges me to take notice of a distinction that I have mentioned before, and passed over. Though the disease in our coin be simple, and in that sense may certainly be cured by the methods that I have proposed, yet our national disease being complicated, we may still fall short of a perfect recovery. The corruption of our manners is so great, that there is nothing so mischievous that we ought not to apprehend. Though our coin were thus equalised, yet I cannot deny but there are two other obvious reasons which we may justly fear would make ill men still loth to part with it: the one, the expectation of having it yet raised in value, as they phrase it, the next Session of Parliament; the other, the advantages they may be able to screw both out of public and private necessaries, by keeping up a scarcity. To the first of these evils, besides all the absurdity that is in the proposition, and all the unjust and pernicious consequences to particular persons that would attend the execution of it, both which you, Sir, have so fully demonstrated already as to make any further illustrations of them wholly needless; and besides the fence that the Parliament have provided against all future attempts of that kind, not only by declaring that the present weight and fineness of our silver coin, according to the indentures of the Mint, is the just standard by which that coin is made lawful, but also by enacting that the same shall be, and remain to be so, as much as laws can ascertain it, for ever:-I say, besides all this, I oppose to that design the consideration of those men's merits to the public who now endeavour to amuse us with the buzz of it. The advantage that can be received by such a raising of our coin (suppose it were to be done) will only accrue to those that have laid up vast treasures of it, and thereby put us into all the difficulties that we at present labour under; for the pretended advantage to any other particular persons that have but small sums in their hands will be much out-balanced by the manifold prejudices that will ensue upon it. And to the nation in general, considered as one single person, with respect to the world abroad, it is no less than demonstration that no advantage at all can possibly accrue by so chimerical a project. Let us take courage, therefore, and raise up our spirits against this fear. The Parliament of England is too wise and too just an assembly to be ever capable of gratifying those men (those I mean, whoever they are, that ruin England by hoarding up her public treasures for sinister ends) with so unreasonable, so unjust, and so pernicious a thing.

Our confidence thus far, I think, is very well grounded. But will this confidence of ours oblige those officious and uncommissioned treasurers that I speak of to change their practice? I am yet afraid of the contrary. The advantages they daily screw both out of public and private necessities, which is the second reason I even now hinted at, by their abominable ways of introducing and continuing a real scarcity of money, in the midst of a real plenty, will undoubtedly prevail with them to go on as long as possibly they can. How shall we help it? I know but one way, and that is by putting the law in execution; I mean, by every creditor strictly requiring payment from every debtor that is able to make it. I am far from intending to promote any methods of rigour against such as have innocently fallen into incapacity of making payment. Lenity in those cases is the unalterable law of nature, and of God. But where there either is a capacity, or where people have drawn upon themselves an incapacity, by such unjustifiable practices as I have represented, there it is fit that men should either pay or suffer for their misdemeanours. The general remissness and indulgence that men have now for one another, in such cases where everyone knows that the other deserves it not, is the thing that at this day does more injury to the nation, than an excess of severity in that kind can ever do, in any occasion whatsoever. The seeming ease it gives to any one does but palliate, not cure the wound; nay, it not only hinders the operation of that only remedy which, left to itself, would perfectly cure us; but it increases that corruption which, if not purged out, must infallibly in the end work our utter destruction.

You will ask me perhaps more particularly what I mean by putting the law in execution? In plain terms, I would have every man exact payment of his neighbour according to the terms of the contract from whence his debt arises. If that be refused, or eluded, by the offer of any sort of payment of less value than the real money that is due, I would have such debtor prosecuted as the law directs. But above all, I would have no respect, no indulgence shown to those who are notoriously known to receive legal money, whether it be retailers in their shops, or any more considerable dealers in greater sums out of the Exchequer, and yet either make no payment at all, or insist upon making it in a manner that answers not the legal value. There is no remedy, but where honour and conscience do not regulate men's actions, the law must do it.

This is all that occurs to my thoughts, as fit to be offered upon that point. There remains yet one other point, before I conclude, which though it have too much affinity with this last, deserves however to be noted more particularly; it is to the Bank of England, or at least concerning it, that I would now add a few words. I have mentioned their bills, since they ceased to pay them, as a new sort of clipped money, which, since the first was stopped, have continued or even increased our disorders. But in arguing upon the cure of our disorders, I have hitherto insisted only upon the reformation of the other causes, and from thence drawn my hopes of a recovery, without taking these bills into my calculation. It is an omission, I confess; but I have cast it so, designedly, for these two reasons. The one, that the particular cure of clipping, by weight and scales, not being intermixed with any other matter, might appear more evident and clear. And so I hope it has done. Scales would make all our coin equal; and equality would cure all the diseases of it. The other reason for my omitting to say what I thought was necessary for the reformation of bank credit, was the respect I bear to so considerable a body, and particularly to many worthy gentlemen that are members of it. If the subject I have in hand would possibly have given me leave, I would have passed them over in silence. But the matter is too important to allow of any palliation. Their ways must either

be reformed as well as others, or all our endeavours after a reformation will remain very imperfect and insignificant.

Let us lay open their case, therefore, in two words. usefulness of bank bills to the public (that which first gave them the nature of money amongst us) was founded in credit. That credit rose from the knowledge men had of their fund, and an opinion both of the capacity and integrity of the managers of it. Whilst their management answered men's expectations, by a current compliance, upon all demands, with their engagements, their credit remained entire, and their bills were reputed good payment. When they faltered in their payments, whether it were through impotency or ill management (or admit it were impotency, and that the effect of ill management, it is all one), that failure in the performance of their promises was a disappointment to those that depended upon them, and thereupon their bills became of less esteem than they had been before; they were really less in value, for they answered not the end that they were given out for. Something of the nature of money they retained still, because the security of the fund upon which they were established gave them still a real value, though diminished. That is, as I have expressed it before, they became a new species of clipped money amongst us. I will add nothing to what I have said already of the consequences attending the currency of this (or of any) species of clipped money; nor will I make any more particular inquiry into the management that occasioned it. The only thing that I am concerned for is the cure.

Now the only cure of clipped coin of any sort has been fully proved to consist in the reduction of it to its first standard. Nay the thing is evident of itself, without any proof, that and that alone can do the work. A partial reformation of any one sort, suppose the coining of a new set of sixpences, whilst a currency were left for clipped half-crowns, signifies nothing to the cure of a nation labouring under that distemper; it must be all or none. Nay, the reformation even of all the coin, whilst any thing else remains unreformed, that retains in any degree the nature of coin, is not only useless, but prejudicial. All paper-money therefore, whatsoever, that of the Bank as well as that of any particular person, must either be reformed, as our coin has been, by reducing it to its standard, or England will never be at ease.

What shall I say more? Does not the thing that I would say, or rather, if it were possible, that I would not say, speak itself? If the necessity of reforming paper-money be clear, can any one doubt of the manner of it? Was it not a legal security,

confirmed by a settled course of payment upon demand when due, that converted paper into money? Was it not the faltering in that payment that diminished its value, and made it become clipped money? Can any thing, but a return to the first settled course of ready payment, restore its value? Is not that the standard to which it must necessarily be reduced? Will any other artifice, will any indulgence to the coiners or subscribers of paper-money do any manner of good to the nation? Or would they, in the last place, be indulged at the price of the nation's sufferance? I thank them kindly. If that be the case I am sure they deserve no indulgence at all. But I hope better things of them. Though they have been stunned with the blow that lately hit them, yet the symptoms do not appear mortal; it is not impossible but they may return to their senses, and act as becomes men.

But do I not hear some languishing voice, that on pretence of absolute impossibility to perform what I point at, bespeaks yet longer forbearance and favour? If indeed any such voice be heard in our streets, we are there so accustomed to those artful tones that nobody is much touched with them. And, therefore, as we usually bid beggars work, so must I still bid these men pay. Let them not be offended with the similitude, for I am far from thinking them in the case of beggars. They are opulent, and can do it; but if they have mistaken, I will not say perverted, their course, let them not disdain to receive advice, though from never so mean a hand. I remember what one of our poets pleaded for himself, in a like occasion of offering unasked advice to a superior, and I offer it for my excuse to them!

Kings in the country oft have gone astray; Nor of a paysant scorn'd to learn the way.

I have said before that they ought, upon the first sense of this distress, to have called in the forty per cent. that is due from each particular member. This would then infallibly have saved their reputation; but they neglected the opportunity. What have they done since for the recovery of it? Instead of calling in forty per cent. as due, they have only borrowed twenty per cent. of their members as a favour. If they intend no more, I am sure this is to no purpose. But what then shall they do further? I think they have given the world to understand, by some late public advertisement, that the twenty per cent. is now paid; and therefore, if I do them no good, I shall do them no harm by what I am going to say. Let them keep the twenty per cent. as they have it, upon loan; and let them, besides that, call in the forty per cent. that is due to them, and which I sup-

pose they have power to compel their members to pay. O, but this looks like trick. No, I dare swear they never designed it The world will acquit them from any such imputation. Necessity now forces it, and therefore either that or something equivalent to it must be done. If they like any other method better that can as effectually raise so considerable a sum, or bring in so many of their own bills (which is to them, or ought to be, the same thing), let them find it out and practise it. I will not officiously obtrude my advice upon them any further. But it would straiten or perhaps ruin some of their members. Vain subterfuge! Their not doing it does now straiten and threaten manifest ruin to all England. And besides, too, the suggestion is false; there is to them no such danger. that eannot pay more, can, if they please, sell part of what they have, and so make to themselves an honest, which is better than a legal, title to the remainder. Whether the want of that payment does not make a flaw even in the legality of their title appears yet to many a moot point. What colour of pretence they have to the other more equitable part of a title, let the world judge.

But, admit this were practicable, that they could yet call in the forty per cent. proposed, it will do them no good. Four hundred and eighty thousand pounds (I think that is the sum) will fall vastly short of paying their debt. They know their own accounts best: I can but conjecture. But if this be true, however dreadfully it looks, yet methinks four hundred and eighty thousand pounds should stop a great gap, and make their remaining creditors easy towards them, and their burden less troublesome. Let them not banter us with vain objections. If they are honest, let them heartily apply themselves to do whatever they can towards the payment of what they owe. When they have done that, nobody will have reason to complain of them-nay, when they have raised the four hundred and eighty thousand pounds, they will thereby have given such a pledge of their integrity to the nation, that everybody will return to trust them with new cash as at first, and their latter end will be more glorious than their beginning. This appears to me reasonable to be expected: I desire it, and I believe it.

But if they themselves believe otherwise, and are of opinion that all this will not retrieve their credit, yet, however, let them try. I can allow no apology for any man's lying still, and crying out, "God help him," when he is in a condition to rise and help himself. This that I propose will certainly help them in a great measure: I believe it will do it fully. But admitting the worst of their despondency, what will then be their case?

What must they do further? What must any one do that is involved in many intricacies, oppressed with the weight of many engagements, and desires to get honourably out of them? Let him sit down and make up his accounts, set down what he owes, examine how and when he can pay it, and accordingly promise; and, till he have made performance, let him allow interest to his creditor for his forbearance. Will they say that this allowance of interest is too hard? Narrow-spirited men that say so! Nothing is too hard a condition for the purchase of their lost credit. Let them recover that first, and they will quickly recover the price it cost them. But who can say it is too hard for them to allow other men interest, when at the same time they receive interest for those other men's money? However some men may be apt to shuffle, surely nobody can have the confidence to maintain directly so unreasonable a thing.

I have supposed much worse of the Bank in every respect than I believe of them, only that I may examine what the issue will be upon the worst that can be supposed. Let us say then that they will pay no interest, but only, upon a computation of their income, fix and promise at what certain times and in what proportions they will pay the principal. Let them not straiten themselves, either, in the terms of these promises; but, however they make them, let them be sure to keep punctual touch with all men, and with all men equally, in the performance. What consequence can this produce? I can see no other but that it will occasion a certain fixed difference of estimation to be settled between their bills and running cash; not fluctuating, as it is now, up and down in uncomputable uncertainties. Then everybody will know pretty near upon a matter what allowance is reasonable upon bills payable in such a manner. That allowance will be what other nations have termed Agio; which often varies a little, but never much. Yet though in some respects this Agio of ours will agree with theirs, in others it will differ. One necessary agreement will be, in that he who is obliged to make any payment in the more valuable way, if he do it in the less valuable, must allow or pay so much more as the course of the difference then goes at. The payer, I say, in this case, must always allow this Agio here, as he does it there. And by that means, it must be confessed, our Bank and current payments will be in some sort equalised as theirs The difference will always unavoidably cause some little trouble, just as it is with clipped money brought to the scale, But the great disorder in our coin will be in a good measure redressed by this way even as by that. One disagreement between their Agio and ours will be that the disadvantage lies there upon current money: here it will lie upon the Bank. An ignominy indeed, though less than what that body now lies under. But the great and happy difference between foreign Agio and ours will be that theirs, being founded upon a real difference in the several species of their coin, must of necessity continue as long as their coin continues in that state: but ours, being founded only upon the forbearance of a little time, will of necessity grow less and less as that time draws nearer and nearer to an end; and, when that expires, entirely cease.

These are the measures (some better, some worse) by which it seems to me that the Bank of England may yet save themselves and the nation: and I heartily wish they may take the best, but any rather than fail. If they will take none, or none that can be depended upon, the consequences of that doubt are too dismally obscure for me to penetrate into. A resolution any way would help. But whilst they neither pursue methods for the clearing of their whole debt, nor settle invariable rules for the payment of any proportionable part of it, however the disease of our coin might be cured by the equalising of it either by the mill or seales, yet the irregularity of their conduct does and will breed us perpetual inconveniences. I know not if it would not be better, in respect of the public, that they paid nothing-nothing, I would say, but interest (for, in such a case, interest is indispensably necessary), and that the course of their bills in payment were entirely stopped. For, as in the stop of clipped silver, we have seen how many hoards were opened, this being the last species of clipped money left amongst us, I see no reason to doubt but that it would unlock them all. And that all, at this present, if it were duly dispersed, has been shewn to be abundantly more than what might barely suffice for the occasions of our commerce, markets, and expenses, and might make all manner of payments easy.

The procuring of that happy effect is the only thing that I had in my eye when I began this letter. It is time, therefore, that I now put an end to it. If what I have done, by any operation upon the minds of any readers, has the least tendency towards what I aim at, the satisfaction I shall find in having contributed even in the least degree to so public a good will be an abundant recompense to me for the pains I have taken in it. And I hope the same consideration will also procure my excuse with those readers (and with yourself in the first place) to whom by the brighter light of their own judgment this candle of mine

is made very superfluous.

l am, Sir,

Your most humble Servant.

# NOTES TO VOL. I.

## A.—(Page ix.)

"William Paterson was a merchant."

In the Memoirs of Great Britain and Ireland, by Sir John Dalrymple, published in 1773, it was first stated (vol. ii. p. 105) that Paterson went originally to America as a missionary. Other writers have repeated this statement, adding that he became a buccaneer. The last writer on him, Lord Macaulay, has given to the case the new colour, that his friends called him a missionary, his enemies a buccaneer.

(Vol. iv. p. 410.)

Both statements are unfounded. His training is distinctly traceable as a MERCHANT. In the tract cited by Mr. Warburton, in the Merchant Prince, he is fixed at Bristol, upon quitting Scotland, established in the house of a Scottish widow, who gave him her little property at her decease. In the Pedlar turned Merchant, a lampoon of the time, he is described as having travelled the country in the capacity of a pedlar, the young trader's common beginning. It is well known that such Scotch itinerants were so numerous as to excite the violent jealousy of English shopkeepers, whose customers gladly bought the strangers' cheaper wares. There is a family tradition that he was received in London into the counting-house of a relative before going either to the Continent or to the West Iudies. And in a rare list of the merchants of London in 1677, the name of "Peatterson" occurs along with that of Pope's father. One copy of this list is in the Bodleian, and another in the Free Library at Manchester. In the records of the Merchant Taylors' Company "William Patterson" is entered as admitted a member by "redemption," the 26th November, 1681, and to the livery the 21st October, 1689. This mode of admission, as distinguished from freedom by servitude, is thought to imply a mercantile standing. This name occurs again the 11th June, 1700, as one of the members of that company, who did not vote at an election for the city,he being in Scotland. The list is in Sion College library. It o2

236 APPENDIX.

is in Merchant Taylors' Hall that in 1694 his proposals for the better management of the Orphan Fund are to be carried out.

Anderson, who, in his youth must have known Mr. Paterson, describes him as "a merchant who had been much in foreign countries, and had entered far into speculations relating to commerce and colonies." (History of Commerce, vol. ii.

pp. 602—608, 4to. ed. 1787.)

In the memorial of 1714, from Paterson to George I., set forth in the introduction, it is stated that "during twenty-nine years he had experience abroad and at home in matters of general trade and revenues," which carries him to 1686. So in the remarks to his proposal of a library of trade and finance, for which he offered his own books, he insists upon the utility of such resources to merchants, with the earnestness of one who felt personally interested in the cause he was advocating. To this it may be added, that all the other directors of the Bank of England, his colleagues, were merchants, and most of them in the West India trade, as appears from lists of their names, with their signatures, in the State Paper Office. He is styled a merchant in the Record of the House of Gurney (p. 520); and in Malcolm's History of London.

In the scurrilous verses of Hodges, given in a following note, his association with buccaneers is not strongly imputed; and Bishop Burnet oulv says he got knowledge of

Darien when sailing and consorting with them.

The conclusion is therefore safe, that he was a merchant; and it has been shewn in the text, that his fortune was considerable when he founded the Bank of England, the City Corporation Stock, and the Darien Company. His confidential association with the first men of the country as shewn by documents and correspondence, further establishes his eminent station. So far from being "a poor and obscure Scottish adventurer," as hastily asserted by Lord Macaulay (History of England, vol. iv. p. 419), he was one of the leaders of the financial movement of that critical period of our history, and it is not without interest that names familiar to the mercantile body at present, are read in the documents preserved at the Board of Trade for the period, some being known to be his friends. was a time when our fathers were laboriously working their way to commercial greatness. Their memorials for convoys mark the caution with which, in the great war of the revolution against Louis XIV., they were compelled to send forth their fleets; their petitions for colonial charters show the spirit of combination, and the perseverance with which they were extending

British power in defiance of deadly rivals; and their urgent appeals against foreign manufacturers, with old Kiffin testifying to a judgment in Cromwell's time "against the German workers in iron wire," betray a less confident reliance on themselves in trade than now prevails. The names of William Penn, earnest in fostering his American home of the Friends; of Michael Godfrey, Paterson's colleague in the Bank, at the head of the merchants "trading with Bilboa and other parts of Spain;" of Sir John Houblon, the first governor of the Bank, and five more of his name, "merchants trading with the Portugals;" Gilbert Heathcote, laying the foundation of his family as a "merchant of Jamaica;" Beeston, of the same island, its governor, favourable to Darien; John Travers, in the same trade; Samson Gideon, of the Leeward Islands; Sir Robert Davers, from Barbadoes, so long Paterson's advocate in the House of Commons—all these and many more were his friends and fellow merchants; and neither the memory of them, nor the names of them all, have yet passed away in the city of London. Some of them carried their mercantile successes into the counties where their descendants still prosper.

In that period his name stands among the subscribers to The British Merchant, with such commercial names as Gurney and Travers, and along with Addison and Steele, who supported with their purses the principles they zealously advo-

cated with their pens.

It is no irrational surmise that if this merchant, William Paterson, be not rigorously portrayed in the Spectator's Sir Andrew Freeport, frequent association with so good a prototype had furnished Steele and Addison with more remarkable traits towards the picture, than his eccentric namesake, the follower of the Covenanters, gave in half an hour's talk to Sir Walter Scott for the construction of the tale of Old Mortality.

Sir Andrew's opinions and his habits, his love of agriculture, and his benevolence, exactly represent Paterson; and as he is the type of the Free Trader, Paterson was its great advocate. If the name of Andrew was not then so strongly Scottish as it is now—for Andrew Marvell, Sir Andrew Aguecheek, and Dr. Andrew Borde (Merry-Andrew), were thoroughly English—it is not to be forgotten that Paterson had by long residence among us, and by principle also, become English, without the loss of a spark of his native Scottish spirit.

## A 2.—(Page xi.)

If the Earl of Halifax had followed Paterson's sound opinions more implicitly in regard to the coinage, that wise reform would have been less costly, speedier, and more complete.

In the Wednesday's Club Dialogues of 1717, it is stated that early in King William's reign, viz. in July, 1691, Paterson and his friends, who then proposed to found the Bank of England, also urged an effective remedy for the debasing the coin, so that the damage would have been "less than a tenth" of what was afterwards done by neglect. Among other ruinous measures planned at the Treasury, instead of what Paterson proposed, one was to alter the denomination of our money, to make ninepenny worth of silver pass for a shilling. of Mr. Locke defeated this scheme. Those whom the King trusted, so mismanaged matters on this head, that it took six years to reform the coinage; and then the actual cost incurred in the operation was three millions sterling; "and the other sufferings of the nation by that disorder were at least so much more." (2nd vol. pp. 68—70).

Charles Montagu, Earl of Halifax, possessed too many titles to the eminent station he occupied, to give him a credit that belongs to another; and it may be safely asserted that he would have been the last to deny that William Paterson's opinions on the subject of the coinage, and other branches of finance, were those to which his measures in Parliament were chiefly due; and that experience justified the regret that those opinions

were not more readily followed.

# B.—(Page xii.)

In 1713 a numerous Committee of the House of Commons reported in favour of Paterson's claims, awarding him 18,241l. 10s. 10 d.—Commons' Journals, vol. xvii. p. 460, 12 Anne.

The Report states that, pursuant to the Treaty of Union, the United Parliament had appropriated 232,000% to the payment of the "debts and stock" of the Scottish, African, and Indian Company, according to a settlement to be made on the 1st May, 1707. But, in the absence of Paterson, his claims and demands on the Company were left out. By the Equivalent Act of Queen Anne, it was expressly provided, that, notwithstanding such omission, the Court of Exchequer in Scotland was to award to him satisfaction of his demand with a consideration of his expenses and losses, and likewise of his

good services in public cases to be represented to her Majesty. The Report further states that by his countenance and influence 300,000 was in November, 1696, subscribed to the Company in London, and a further sum of 300,000l. in Scotland, and one-fourth part of said several sums actually subscribed to the Company's use; upon which 600,000l. he was entitled by his contract to two per cent. out of the first payment, as well as three per cent. of the profits of the Company for twenty years. He had also at the instance of the Company left his effects and business in London, then very considerable, to go to Scotland, where by his influence 300,0001, more was soon subscribed, and subject to the same conditions on his account. He was then prevailed upon to go to Holland and Hamburgh to negotiate the transferring the English subscriptions relinquished in 1695-1696. He was further prevailed upon to embark in the Company's expedition to Darien, where, by his conduct and credit, he much contributed to the support of that colony whilst it subsisted.

His claims upon the two per cent. premium, with interest, and an allowance of 500l. per annum for expense of himself and family from 6th November, 1698, to 28th March, 1713, being about seventeen years, gave the balance of 32,592l. upon which the Committee allow him 7,500l. on his contract with the Company; and 6,175l. 15s. for interest on that sum from the 6th October, 1696, to 25th March, 1713; and 5250l. for his expenses from the 6th October, 1696, to the 1st May, the day of the dissolution of the Company by the Union, making 18,925l. 15s. From this debt they deducted 435l. 15s.  $1\frac{1}{3}d$ . he had received, with interest at five per cent., amounting to 248l. 9s. This left to Paterson the sum of 18,241l. 10s.  $10\frac{2}{3}d$ . which the Committee reported, and the House of Commons voted, was due to him.

A Bill passed the House in his favour, but it was thrown out in the Lords on the unfounded pretence that the Equivalent Fund was exhausted, so that his claim, if satisfied, would injure other meritorious claimants. It was in 1715 that another Bill was passed into a law without opposition, in the first year of the reign of George I.

His fortune before his misfortunes may be inferred from several facts. In 1694 he became a director of the Bank of England with a qualification of 2,000l. When the Scottish Darien Company was formed in 1695 he had more than 3,000l. in its stock. When in 1697 the disaster occurred in Holland which is mentioned in the Introduction, he advanced to the Company 6,000l. at once from funds he possessed in London.

After he quitted the Bank of England by the sale of his qualification as director, his credit was so high in London, that mainly by his influence the stock of the Scottish Company, 600,000l., was fully subscribed in a few days; and, when the English withdrew from it, he led the way to an almost equally rapid contribution of the Company's capital by the Scots alone.

# C.—(Page xiv.)

The Duchess of Marlborough, on being urged to invest money in the South Sea Company, at the height of the excitement, refused sturdily, declaring that she had consulted those who were the most capable financiers and calculators; and she was assured that it was impossible that profits could be made by the Company to justify the speculations then on foot. This fact marked the sagacity of her Grace the more strongly, as at the time the Duke had so much ready money at command, that he asked a friend to relieve him from such an "unusual case of distress," by finding security for the 150,000% which he did not know what to do with.

# D.—(Page xvi.)

Paterson's alleged obscurity after the ruin of his Darien enterprise.

Sir John Dalrymple seems to be the first to state the case thus erroneously, asserting that Paterson "survived the ruin of the Darien colony many years in Scotland, pitied, respected, but neglected. After the Union he claimed reparation, but got nothing."—Memoirs of Great Britain and Ireland, vol. ii. p. 107.

This statement, contradicted as it is by the long residence of Paterson, to his decease, in Westminster, by his writings, by the Statute Book, and by his will, has been adopted by late authors on the subject.

#### E.—(Page xviii.)

Our daily discovery of neglected historical sources for the deeply important period from  $1670~{\rm to}~1720$ 

The case of the Covenanters furnishes the strongest illustrations on this head. Sir Walter Scott's power of calling up scenes for his romances, in which he made the former

the chief personages, and the graces of his style, attracted universal attention to his fanciful view of the subject. But whilst the general public accepted for true these darker portraitures of men of unquestionable worth, others, better informed, denied the correctness of his harsh judgments concerning them. Hence, subsequently to Dr. M'Crie's spirited remonstrance, there have followed careful researches into genuine records; and thus the romance that delighted, but misled us, has produced sober history, which will replace its errors with small loss of its beauties. The discovery of valuable diaries and letters of the 17th century have rewarded these researches, and, as shown by "The Gleanings from the Mountains" of the Rev. Mr. Simpson, referred to in the text and largely quoted in the second volume, tradition may be consulted with advantage for this period of Scottish history. The story of Ringan Ghilhaize, by Mr. Galt, to the same purpose, judiciously combines a powerful romance with the most touching traditional legends of covenanting Scotland; and the Ettrick Shepherd, James Hogg, from a well preserved story, obtained by himself on the spot more than a century after the battle of Killiecrankie, has corrected a grave error of the historian's, in vindication of a worthy baronet's conduct upon the defeat of the Covenanters' cause by Claverhouse.

#### F.—(Page xx.)

In Sir John Sinclair's Statistical Account of Dumfriesshire, Scotland (Vol. I. p. 165. 8vo. Edinburgh, 1791.), is the following passage in a report from the Rev. James Laurie, the Minister of Tinwald:—

"The famous Paterson, who, it is said, planned the Darien scheme, the Bank of England, &c., was born at Skipmyre, a farm in the old parish of Trailflat, about the year 1660. He does not seem to have been an obscure Scotchman, as a certain writer styles him; he more than once represented Dumfries, &c. in the Scotch Parliament. The same house gave birth to his grandnephew, Dr. James Mounsey, first physician for many years to the Empress of Russia. The widow, who now enjoys the farm, is sister to Dr. John Rodgerson, who succeeded Dr. Mounsey as first physician to the Empress."

In the Darien Papers for the 6th October (p. 16), the eighteen directors of the company who signed the following paper were Scots: "The court considering the great expense that Wm. Paterson, one of the directors of the company, has been at for

several years, in making valuable discoveries of commerce and navigation to the Indies; and he having delivered in several curious MS. books, maps, journals, and other papers of commerce relating thereto, henceforth to be appropriated to the Company's use; and having further evidenced his affection to his native country and this company, by relinquishing England and any profitable establishment he had or might at present have in that kingdom, to his evident damage and loss, therefore the court of directors have allowed the said Wm. Paterson to dispose of "certain large sums specified for his own benefit.

"And further, for his merit in continuing the principal designs, and his constancy in promoting the services of the company, the court resolve to take into further consideration what suitable gratification they will appoint to him out of the subsequent profits of their trade in proportion to the success

thereof."

These authorities are adduced to establish an apparently obvious fact, because a very high Scottish authority has recently

expressed strong doubts on that point.

In the "Narratives from Criminal Trials in Scotland," by Mr. Hill Burton, it is stated that—"There is no visible authority for the statement that Paterson was a native of the parish of Tinwald, and no means of knowing that he was a native of Scotland."—(Vol. i. p. 105. London. Svo. 1852.) And in "The History of Scotland from 1689 to 1748," by the same author, in an elaborate account of the Darien enterprise, and of Paterson, it is stated that "the most diligent investigators have discovered nothing about the time and place either of his birth or death." (Vol. i. p. 284. London. Svo. 1853.) Of the latter fact the probate of the will from Doctors' Commons is evidence.

#### G.—(Page xxi.)

Paterson is mentioned as follows in Mr. Leslie's "Advice to the Church of England," (Somers' Tracts, London, 4to. 1751, vol. iv. p. 239). The tract is a zealous vindication of the rights of review of "our accomplished lawful king"—the Pretender. It was published early in 1715, to assist in preparing for the rebellion of that year.

"The numerous colony of the kingdom of Scotland," it states, that went to Darien . . . . sought relief in many places; but were treated as enemies. A terrible famine ensued. The fleet

with its dead perished, and the very few that survived had endured the same fate if a happy wind had not east them on the coast of Norway,—of which small number the present Mr. Paterson, of Queen Square, Westminster, was one; but his lady perished."

## H.—(Page xxii.)

It appears by Paterson's will that he married the widow of a minister of Boston, named Bridge. The name was well known among the Puritans of the seventeenth century: in Barbadoes several superior colonists bore it, and in New Providence at that time a Presbyterian minister named Bridge was superintendent of the colony. The following document, under his hand, seems to refer to the same charge of turbulence that Hodges makes against Paterson; but assuredly Colonial misrule was never resisted with more moderation than is exhibited in the following document from the State Paper Office: Plantations:

## "NEW PROVIDENCE, S. S.

"These may satisfy all whom it may concern, that whereas there hath been of late a great resort of the former inhabitants, freeholders, and settlers unto their present abodes, and whereas it has not pleased his Majesty, to our knowledge, to provide it of a government, we, his Majesty's subjects of the said island, do first publicly declare and protest against assuming of power or authority any way repugnant to the King's sovereignty or the laws, or in any way tending to decline from our allegiance; yet, finding it absolutely necessary that some method be taken to preserve order and observation of his Majesty's laws among us, we have elected by public vote twelve of us, of which one is Moderator, to decide differences, regulate public matters, and prevent disorder and faction in this island, still in all humility submitting ourselves to his Majesty.

"Witness our hands this 13th July, 1687.

"THOMAS BRIDGE," and eleven more.

Paterson was not a missionary or preacher. Inquiry has been made without finding any trace of his official admission into the Scottish Church as a minister. Voluntary rellgious services were so common in the seventeenth century among men of his serious principles, that he may have observed them beyond the regular practice of family worship,

so as to give occasion for the statement alluded to, that he was once a preacher. In his lifetime that statement seems to have been confined to the ribaldry of the libeller Hodges; afterwards, Sir John Dalrymple may have been the first to revive the story in the "Memoirs of Great Britain." It had become a mere report.

Bishop Burnet's description of the religious habits of the Scots, and his Lordship's silence as to Paterson's ministerial functions, when mentioning his want of education, seem to

settle this point.

"The custom in Scotland was, after dinner or supper to read a chapter in the Scripture: and where the ministers happened to come, if it was acceptable, they on the sudden expounded the chapter. They had brought the people to such a degree of knowledge, that cottagers and servants would have prayed extempore. I have often overheard them at it: and though there was a large mixture of old stuff, yet I have been astonished to hear how copious and ready they were in it. Their ministers generally brought them about them on the Sunday nights, where the sermons were talked over, and every one, women as well as men, were desired to speak their sense and their experience: and by these means they had a comprehension of matters of religion, greater than I have seen among people of that sort anywhere. The preachers went all in one track, of raising observations on points of doetrine out of their text, and proving these by reasons, and then of applying those, and shewing the use that was to be made of such a point of doctrine, both for instruction and of terror, for exhortation and comfort, for trial of themselves upon it, and for furnishing them with proper directions and helps: and this was so methodical, that the people grew to follow a sermon quite through every branch of it. To this some added the resolving of doubts concerning the state they were in, or their progress or decay in it, which they called cases of conscience: and these were taken from what their people said to them at any time, very oft being under fits of melancholy, or vapours, or obstructions, which, though they flowed from natural causes, were looked on as the work of the Spirit of God, and a particular exercise to them, and they fed this disease of weak minds too much. Thus they had lahoured very diligently, though with a wrong method and wrong notions."

For several years the wives of the Covenanters seem to have much indulgence.

The bishop continues:— "The churches were now all well kept by the men; but their wires not being named in the Act

of Parliament to compel Episcopalian worship, none of them The matter was laid before the council in went to church. 1684, and a debate arose upon it, whether man and wife making one person in law, husbands should not be fined for their wives' offence as well as for their own. Lord Aberdeen stood upon this, that the Act did not mention the wives: it did indeed make the husbands liable to a fine if they went to conventicles, for they had it in their power to restrain them; and since the law provided in the one case that the husband should suffer for his wife's fault, but had made no provision in the other case, as to their going to church, he thought the fining them on that account could not be legally done. Lord Queensberry was for everything that would bring money into the Treasury: so, since in those parts (the west of Scotland) the ladies had for many years withdrawn wholly from the churches, he reckoned the setting fines on their husbands to the rigour would make all the estates of the country be at mercy, for the selling them outright would not have answered this demand for the offences of so many years. The Earl of Perth struck in with this, and seemed to set it up for a maxim, that the Presbyterians could not be governed but with the extremity of rigour, and that they were irreconcilable enemies to the king and the duke, and that therefore they ought to be extirpated. The ministry in Scotland being thus divided, they referred the decision of the point to the king, and Lord Perth came up to have his resolution upon The king determined against the ladies, which was thought very indecent, for in dubious cases the nobleness of a prince's temper should always turn him to the merciful side."

# I.—(Page xxiii.)

Extracts from the Journal of Dr. Wallace, who went to Darien with the first expedition in 1698, were published in the Miscellanea Curiosa of Derham, or, as is sometimes stated, of Halley, in 1706. They contain the following passages:—

<sup>&</sup>quot;We are bound to Providence in this affair; for, as we were searching for the place we were directed to, we found this fine harbour; and the privateers (buccaneers) had been so often at Golden Island, never any one of these made the discovery. Even the Spaniards themselves never knew of this place. Besides, for as great a secret as was thought the project, it was known all over the West Indies; and yet it was not in their power to crush us. I have seen already Dutch, French, and

English all at a time in one harbour, and all of them wonder what the rest of the world have been thinking on, that we should come hither to the best harbour of America, in the best place of it.

"Captain Long came in eight days after our fleet. We were a great sore to him; but he said nothing. He commanded the Rupert prize, a small English man-of-war, fitted out by the Kiug—on what design we know not. He has taken possession of land for the King; but nothing belonging to us."

# K.—(Page xxvi.)

In Von Orlich's work on Prussia, published in Berlin, in 1836, it is stated that in 1688 four English merchants proposed to the Elector to form a new African company, vol. ii. p. 40. It was the same title that the Darien company was under afterwards established in Scotland. Sir John Dalrymple, in 1780. mentioned the same proposal, as the libeller Hodges had done in 1699.

## K. 2.—(Page xxvi.)

Paterson's frequenting the coffee houses in Amsterdam before 1688 is mentioned by Mr. Douglas in a memoir addressed to the Directors of the Darien Company in favour of a commercial expedition to the East Indies, preserved in the Darien Papers in the Advocates' Library in Edinburgh, and published in the Editor's Life and Trials of Paterson.

#### L.—(Page xxvi.)

This is stated on the authority of Mr. G. Chalmers's Paterson Collections, in the possession of Mr. Laing.

#### M.—(Page xxvii.)

The following passages from Sir Dolby Thomas's Historical Account of the West India Colonics (1690), include the germs of Paterson's views of a Council of Trade, of Free Colonial Government, and of a joint Banking Fund:

"It is a mighty pity that all laws for custom and duties, as

well as for regulating navigation, erecting companies, judging maritime controversies, granting letters of marque and reprisal, and for encouraging manufactures and societies of handicrafts, should not first be debated, prepared, and begun in a great council of trade, to consist of members elected and deputed by every plantation, maritime city, company, institution, and trade which would desire to send members to it; and from thence, after a free and full examination, be represented to both

Houses of Parliament for their approbation or dislike.

"For trade is of that nature that it requires frequent pruning, lopping, and restraining, as well as cultivating and cherishing; and thrives much better under proper and rightly-applied restraints, duties, taxes, and excises, than in a general looseness: which being so, is it possible that a positive tonnage and poundage like ours should hit all accidents, attend the changes and mutations it receives, both at home by the plenty and scarcity of our native commodities, or abroad by the like ebbs and floods, as well as the laws in foreign nations made or changed concerning it?

"Or how, indeed, can the divines, lawyers, nobility, and great gentry of the kingdom be nice judges and right distinguishers between the clashing and tangling interests of so great a mystery as universal trade, when few or none of them have ever had the least occasion to inspect or experiment any part

of it?

"The want, therefore, of a free and able council of trade in this nation, though it cannot destroy, yet wonderfully retards and hinders the natural and genuine increase of navigation and

merchandise, and consequently of rents.

"Let the colonists carry with them as good understanding, or strong geniuses and inclinations, to planting as is possible, yet they must not hope to reap unless they sow; and wheat, or any other sort of grain, is not a more necessary seed for its own species than wealth is seed to wealth. The Spaniards have a proverb to that purpose, which says, 'He that will bring the Indies must carry the Indies thither.' It will not be unnecessary to explain the general causes of their first thriving, that the inexperienced reader may have a just idea of the conveniences and inconveniences which have attended those places, by the many changes that have happened in the government and laws of this kingdom, since the beginning of the late civil wars.

"To do which we will make a short reflection on the unaccountable negligence, or rather stupidity, of this nation during the reigns of Henry VII., Henry VIII., Edward VI., and

248 APPENDIX.

Queen Mary, who could contentedly sit still and see the Spaniards rifle, plunder, and bring home undisturbed all the wealth of that golden world; and to suffer them, with forts and castles, to shut up the doors and entrances into all the rich provinces of America, having not the least title or pretence of right beyond any other nation, except that of being by accident the first discoverers of some parts of it; where the unprecedented cruelties, exorbitances, and barbarities their own histories witness they practised on a poor, naked, and innocent people which inhabited the islands, as well as upon those truly civilised and mighty empires of Peru and Mexico, call to all mankind for succour and relief against their outrageous avarice and horrid massacres. Therefore, for a nation situated like ours for trade and navigation (being, by the kingdom of Ireland, the nearest and eastern neighbour to that western world) to sit still and look upon all this, without either envy or pity, must, I say, remain a lasting mark of the insensibility of those times, and the little knowledge our forefathers had of the true interest of mankind in general, or of their own country in particular. Nor did we awake from this lethargy and wonderful dozing by any prudent foresight or formed counsel and design, but slept on until the ambitious Spaniard, by that inexhaustible spring of treasure, had corrupted most of the courts and senates of Europe, and had set on fire, by civil broils and discords, all our neighbour nations, or had subdued them to his yoke; contriving, too, to make us wear his chains, and bear a share in the triumph of universal monarchy, not only projected, but near accomplished, when Queen Elizabeth came to the crown (as all historians of those times do plainly make appear); and to the divided interests of Philip II, and Queen Elizabeth, in personal more than national concerns, we do owe that start of hers in letting loose upon him, and encouraging those daring adventurers, Drake, Hawkins, Rawleigh, the Lord Clifford, and many other braves that age produced, who, by their privateering and bold undertaking (like those the buccancers practice), now opened the way to our discoveries and succeeding settlements in America, which since, as it were by chance, occasioned only by the necessities of many, wrought upon by the example, wisdom, and success of some few particulars, without any formed design, help, or assistance from our state-councils or legislators, in less than century, have throve so well that they are become the example and envy, and might be the terror of all our neighbour maritime nations, and do undoubtedly maintain above half that vast quantity of shipping we employ in foreign

trade; so that it can be from no other cause but want of information that many of our laws, as well as court-maxims and practices, run opposite to their encouragement, protection, and increase.

"Another great discouragement those colonies lie under is the arbitrary power and practices of the governors there and the court at home, which some have, to their undoing, felt, and all are liable to.

"I will instance, in the case of some few, that the reader

may the better judge of the condition of them all:

"In the year 1669 Colonel, since Sir Henry, Morgan, commonly called Panama Morgan, for his glorious undertaking and conquest of the Spaniards of that place by fewer than twelve hundved men, without either horse or pikemen, to oppose, in fair fight, above six thousand foot and five hundred horse, which he did; and afterwards took and ransacked a town that had haffled, when not half so strong, the famous Sir Francis Drake, who attacked it with four thousand. This man (as great an honour to our nation, and terror to the Spaniards, as ever was born in it), notwithstanding he had done nothing but by commission of the governor and council of Jamaica, and had received their formal and public thanks for the action, was, upon a letter from the Secretary of State, sent into England a prisoner; and, without being charged with any crime, or ever brought to a hearing, he was kept here, at his own great expense, above three years, not only to the wasting of some thousands, but to the hinderance of his planting and improvement of his fortune by his industry, towards which none in that place was in a fairer way; so that, under those difficulties, and the perpetual malice of a prevailing court faction, he wasted the remaining part of his life, oppressed not only by those, but by a lingering consumption the coldness of this climate and his vexations had brought him into when he was forced to stay here.

"The first remedy to which inconveniences that I shall presume to propose is what we most certainly are very defective in for the greatest concern of the nation, which is, for all sorts of trade—I mean an able, diligent, impartial, and constant sitting council of trade, where all sorts of provisions concerning it might freely be debated and thoroughly examined before they come into Parliament or Council; for such a constitution would be an infallible touchstone to try the intrinsic value of all notions and projects that mankind can invent, either for the general good or particular advantage: it being almost impossible for the Privy Council or committees of Parliament, in the methods

they proceed by, ever to inform themselves rightly of any one difficult matter that comes before them.

"For, let but a thinking man anyways versed in trade but reflect how many interfering accidents there belongs to that mystery, and how many various shapes very branch of it has taken before it arrived to perfection, and they will conclude it impossible for noblemen and gentlemen, by short debates partially managed (as they are usually before them), ever to arrive at a perfect understanding of the matters in question; for want of which their judgments are abused by clamour, importunity, prejudice, partiality, or some other prevailing bias, and seldom or ever (if the matter be of importance enough to require debating) come to a right decision, whereby at last the secretary or clerk to such a board becomes the only oracle to it; and, as he feels the cause heavy or light, weakly or potently backed, can read its destiny before one argument is heard concerning the matter in issue, be it of ever so considerable consequence. That this is true all men who have ever been concerned to attend this kind of assemblies can infallibly witness; but withal one would wonder that a nation so concerned for their interest as ours, wherein there are few men that will make a step in any considerable dealing without the advice of some counsel learned in that point, that the Government of it, which should consist of the wisest of them, should take upon them to alter and change the shape of the greatest concerns of the whole without the impartial advice of some continually active and solicitous in the mystery of it. But, this being so, it is no wonder our laws and council-books' orders are so often forced to be changed for being in direct opposition to a national Therefore, as the first great remedy to the grievances attending our colonies, I do propose that a council of trade may, by Act of Parliament, be established, to consist of a president, vice-president, and some convenient number of members, who may continually be sitting to hear, debate, and examine all sorts of proposals and difficulties that arise about trade, and that they may have such salaries out of the public purse as may make the business worth wise men's attendance; that no proposal whatever should there be refused to receive a debate, and two or three hearings, or more, as the matter imports; that nothing should be dismissed with a refusal but with the reasons the council had for doing it annexed to the proposal; that no judgment of theirs should be final or concluding, but subject to review, either there, at the Privy Council, or Parliament, when answers were in writing made and exhibited against such reasons; and that nothing should be

advanced, either in Parliament or Privy Council, that concerned the plantations, foreign negotiations, manufactures, trade, or patents for new inventions, which had not been weighed and examined, if not approved of, in mature debates at that council, when established.

"If such a board as this was erected under members of large geniuses and proper rules, it would save me, and every other man concerned for the public, the pains I and they take in writing on this sort of themes; and the memoirs, debates, and resolutions of that so necessary assembly would be the undoubted rules for guiding all commerce, as well as laying on of proper impositions upon trade; but, for want of such a court to have recourse to, I am forced to appeal to all mankind by a more troublesome and tedious, as well as less significant, method, that is, writing a book, which may, if not lead to a remedy for the plantations, at least show I designed nothing else when I entered into the undertaking I formerly mentioned.

"To hasten, therefore, to my desired end, I would propose, as one effectual way to help the plantations, that a sufficient fund of money might be lodged there, to which, as to an infallible bank, every planter might have recourse for credit proportionable to the real value of what he has to give in security, be it land, stock, or goods. Now, that the want of a stock of money in the plantations is a great hinderance to their increase is plain, from the great debt due from them to the African Company, which, as it increases, does more and more make the Company incapable of sending them sufficient numbers of negroes at an equal and moderate price, as it does them to pay for them when they arrive; but, was there a sufficient bank upon the place to which every man, at the common interest of the place, might have recourse, that grievance would naturally end, and a plantation, like all increasing things, would thrive by its proper nourishment-money."

These proposals of a Council of Trade obviously sprang from Cromwell's Board of Trade and Plantations, composed of statesmen and of delegates from the city of London and the out-ports, as described by Rushworth, as well as from the following Board formed by the order of Charles II. at the Restoration of 1660. It is preserved in the Library of Guild-

hall. (Miscellaneous Tracts, folio v. No. 107.)

"The 17 August, 1660, an Order in Council, signed by the Chancellor, Lord Clarendon, required the Lord Mayor to give notice to the Turkey Merchants, the Merchant Adventurers, the East India, Greenland, and Eastland companies, and likewise to the unincorporated trades for Spain, France, Porlugal,

Italy, and the West India plantations, of the King's intention to appoint a committee of understanding, able persons, to take into their particular consideration all things conducible to the

due care of trade and commerce with foreign parts.

"And the King willed them, out of their respective societies, to present unto him four of their most active men, of whom his Majesty might choose two of each body, and to these merchants added some other able and well experienced persons, to be dignified also with the presence and assistance of some of his Majesty's Privy Council. Together they were to be authorised, by a commission under the Great Seal, to be a standing committee to inquire into and rectify all things tending to the advancement of trade, and insert into all treaties such articles as would render this nation flourishing in commerce.

"They were thus by prudence, care, and industry to improve to the highest home of felicity those great advantages which, by its admirable situation, nature seems to have indulged to

this kingdom."

The foregoing views are, in principle, strikingly like Paterson's "Proposals of a Council of Trade," of 1700, from the

preface of which the following passage is taken:-

"The proposal or scheme of a council, for the future ordering and regulating the home and foreign trade;—and for refunding our Indian and African Company, is offered;—that thereby this kingdom, upon its own fund and bottom, may be put in a hopeful way of regaining its losses by the Union of the Crowns; or at least of bearing somewhat better up against these two consuming evils—the attraction of our court, if not in a foreign at least in another country,—and that of the Indian mines.

"Wherein it hath been carefully endeavoured to offer nothing that hath not first been scriously and cautiously weighed, considered, and compared with practice, as well as reason—there being none of the things hereby proposed but what, or at least something equivalent, have been and are at this day practised with good success in one or other of the trading nations of Europe; as can be made appear when there shall be occasion. But although the proposals and scheme be designed to be comprehensive for the trade and industry of this kingdom; and have been tolerably weighed and digested;—yet the time hath not been sufficient to permit the reasons and observations to be enlarged upon; but a little more time may possibly produce another edition, with the addition of further observations and reasons.

"And as what is here presented hath not been merely

written for speculation, or with a design either to please or displease for the present—but rather for business or future practice,—it is expected that the reader who thinks himself any way concerned, will not enter upon the whole or any part with prejudice or prepossessions; but will carefully and industriously read and compare the parts with one another, and with the whole—will consider the weight and consequence of the things—and be as willing and industrious in finding out equivalents and expedients as to make objections; since he may assure himself, that if less than what is here insisted on could have been thought sufficient to answer the end, less had been proposed.

"The number of thirteen, whereof the president and councillors of trade are proposed to consist, is only pitched upon as suiting best with the constitution and the nature of the choice, otherwise seven or nine are found to be the most convenient numbers for such sort of business; for, although great societies be indeed very convenient to keep a balance, and for an awe and decorum to the executive power, yet are they by no means fit for it themselves, as being always too unwieldy

and uncertain for management.

"Aud the main hazard in an affair of this nature always has been and ever will be, of a rash, raw, giddy, and heedless direction, and of losses, embezzlements, and neglects, for which few will be the better, although many may be the worse,—things in which it will not be easy to make rules, and much

harder to cause them to be observed.

"Wilful fraud or apparent breach of trust will not only be far more easily brought to account, but much harder to be committed, since, hesides that the men may justly be supposed such as will be known and responsible, their particular trusts will be but very inconsiderable, since the money they have from time to time will naturally, and of course, be committed to the custody and care of a treasurer or cashier, who may be ordered to give security in proportion to the weight of his trust and the salary allowed.

"So that it may be safely affirmed, that where a penny shall be in danger by wilful fraud or bankruptcy of councillors of trade, there will be at least ten if not twenty so by ignorance, presumption, and neglect; and, if one may judge by the practice everywhere, insurance might sooner be found at one per cent. per annum for the first, than at ten, perhaps than twenty,

per cent. for the last.

"As those who shall ripely consider this matter will easily find that such a direction ought not to be committed to an un-

wieldy, but to an easy society,-to a number of men, not only spirited for their work, but who shall wholly apply and set themselves apart to this very thing:—so they will easily apprehend how dangerous and destructive it much needs be to admit those who, instead of being assistant unto, may only prove a dead weight on, the industry of the rest, such as will be apt to talk much and do little,—find many faults, but mend none; in fine, who are either so ignorant and helpless, or so swayed and biassed by their passions, prepossessions, prejudices, conceits, and humours, as, at least in public affairs, to have more need of being counselled by, than to be councillors to, others.

"Rawness and inexperience will by degrees wear off, and things will grow daily easier to the capable and willing minds, for business makes men, as well as men make business; but those whose heads are filled with preoccupations and presumptions, or have learned anything wrong, must at least be learned twice before they can possibly come to understand aright, or to be fit for business; since, like Solomon's sluggard, such are commonly wiser in their own conceits, than seven men that can render a reason."\*

# N.—(Page xxviii.)

See the Proposals for a Council of Trade in Vol. I. pp. 16, 81, 85.

# O.—(Page xxx.)

The titles of many tracts on currency at this time, may be seen in the Catalogue of Paterson's Own Library, given in the present volume.

### O 2.—(Page xxxii.)

For Paterson's account of the difficulties attending the founding the Bank of England, see p. 63 of this volume.

Prov. xxvi. 16

### P.—(Page xxxii.)

The separation of Paterson from the direction of the first English bank has been incorrectly stated both as to his discredit, and as to the discredit of his colleagues. He appears to have simply ceased to be upon it, by selling out his qualification, as may be seen in the original books. Mr. Francis, historian of "The Bank of England, its Times and Traditions," says (vol. ii. p. 66), "The name of William Paterson was not long upon the list of directors. The Bank was established in 1694, and for that year only was its founder among those who managed its proceedings. A century and half have passed; the facts which led to his departure from the honourable post of director are difficult to collect; but it is not at all improbable that the character of Paterson was too speculative for those with whom he was joined in companionship."

In the elaborate memoir of Paterson by Mr. Chambers, some errors about him are corrected with candour and sagacity, but

others are left still requiring correction.

"William Paterson (he says), the original projector of the Banks of England and of Scotland, and of the celebrated Settlement of Darien, was born, it is supposed, in the year 1660, at Skipmyre, in the parish of Tinwald, Dumfriesshire. deeply to be regretted that no satisfactory memorials have been preserved of this remarkable man. Of his education nothing is known, but it is stated in one memoir that he was bred to the church. He is also said to have represented the burgh of Dumfries more than once in the Scottish Parliament; to have gone out to the West Indies, in the character of a Christian missionary, for the purpose of converting the negroes; and to have, while in that quarter, joined the Buccaneers, a gang of desperadoes who infested the shores of America and the West Indian islands, making prizes indiscriminately of the ships of all nations; and it is in this character he is said to have acquired that intimate knowledge of the seas and coasts of America which led him to form the splendid idea of a settlement at Darien, by which he meant to connect the seas on the opposite sides of the globe, and to form a grand emporium of the productions of all the quarters of the earth. That Mr. Paterson, however, was either a churchman or a buccaneer at any period of his life appears a gratuitous assumption, unsupported by any direct evidence, and at variance with the known course of his after-life. It is certain, however, that he was in the West Indies, but it is much more likely that his pursuits there were commercial than either clerical or piratical. He was admitted one of the original directors of the Bank of England: but his richer associates no sooner became fully possessed of his ideas, than they found out pretexts for quarrelling with him. and finally expelled him from all share in conducting that business of which he had been the author. Under these circumstances, he became acquainted in London with some of his countrymen, particularly with Fletcher of Saltoun, who had penetration enough to see and to appreciate the simple splendour of his project with regard to Darien, and patriotism enough to desire to secure the benefits of it to his own country. Paterson had all the patriotism of Fletcher, without any of that national partiality which, in the former, somewhat dimmed its lustre and lessened its effect; but he was yet, from the manner in which he has already been treated by all to whom he had communicated his plans, easily persuaded to give the benefit of his conceptions to the country to which he owed his birth, and where he had as yet suffered none of that painful mortification, of which he had experienced less or more in all the places he had yet visited."—(Biographies of Remarkable Scotsmen, art. Paterson.)

Sir Walter Scott, in the Tales of my Grandfather (2nd Series, vol. iii. p. 227) complains that the man of "wealth and influence took advantage of the ideas of the obscure and unprotected stranger, who had been admitted to be a member of the Directors of the bank he founded, and elbowed him out of it. Thus expelled, he devoted himself to the Darien enterprise."

Paterson's own account of the matter in his Petition to Queen Anne, set forth in the preface above, is limited to a complaint that he had never had any recompense for his great pains and cost "from 1691 to 1694 in establishing the bank."

# P 2.—(Page xxxvii.)

The statement by Paterson himself, in a letter to the Lord Provost of Edinburgh, that the Bank of Scotland was founded in opposition to his views and his friends' interests, may account for the difficulties of its early progress; and the correction of the common opinion in this respect, explains why Holland, its real founder, in his tract on Banking, attacked Paterson with some violence.

### P 3.—(Page xliv.)

The very intelligent dispatches of the Dutch minister at Madrid at this time, Schonenberg, contain details respecting the bitter hostility of the extreme Church party in Spain against King William in the darkest colours. (State Paper Office.)

The alarm of Spain at this crisis was shared by the Pope, and is strongly described in the dispatches of our minister at

Madrid.

In July, 1699, Mr. Stanhope writes,—"About six or seven weeks ago, a courier was dispatched from this court to Rome to represent to his holiness the danger of the catholic religion by this attempt of the Scots, who could introduce heresy when masters; and begging not only advice but effectual aid in a cause so nearly concerning the holy see. The court is relieved with an answer as favourable as could be desired: viz. a million of pieces-of-eight to be raised yearly from the Church revenues all over the Indies for this purpose; so that now, whatever becomes of the Scots, whom this will never hurt, the King of Spain has on this pretence gained a million a-year from the Church for ever. ALEXANDER STANHOPE." (State Paper Office: Spanish Correspondence, No. 124.)

### P 4.—(Page xlv.)

The correctness of Paterson's information at this time upon the very important point of the dispositions of the English "politicians," is proved by the proceedings at the Board of Trade not long afterwards. They are set forth at length in the following documents from the State Paper Office:—

### BOARD OF TRADE JOURNAL, No. 20.

LETTER from Mr. VERNON to the BOARD OF TRADE about the SCOTCH COMPANY.

"My Lords, "Whitehall, 20 May, 1697. "Mr. Blathwayt having transmitted to the Lords Justices the inclosed letters from the Government of Rhode Island and from Hamburgh by his Majesty's direction, their Excellences conceived that they be sent to your Lordships to report your opinion of the matters therein, and what you think fit to be done to prevent the Scots' East India Company carrying on any designs to the injury of the Spaniards, or prejudicial to the trade of this kingdom; Mr. Blathwayt intimating that their project is to send to the Straits of Darien, and enter into a league with the prince there to exercise hostilities and depredations upon the Spaniards.

"JA. VERNON."

Mr. Orth's letter, 20 May, 1697, states that the Hamburghers objected to the Scots trade with the East Indies and Africa, and that their agents said the Scots meant to trade with America in a part not belonging to the Spaniards. He

supposed it to be in the Gulf of Mexico.

The Rhode Island letter is referred to wrongly, 119 A: it is 199 A, New England. It does not mention the Scots at all. It appeals to the king for protection against the French ships; and, "being a people of different persuasion in religion from the other colonies," pray to be heard by the king before judgment against them in any case.

"There are such a bloody crew of privateers, it adds, at Rhode Island, that the governor cannot rule them, and sober men are in fear of their lives; they are daily plundering vessels as they come in: 'tis said, if the king does not take care they

will govern this island."

BOARD OF TRADE JOURNAL, 1697, July 2, p. 139.

EARL OF TANKERVILLE, Sir PHILIP MEADOW, Mr. LOCKE, Mr. Hill.

Mr. Dampier and Mr. Wafer attending according to summons, their Lordships inquired of them many things relating to the Isthmus of Darien, concerning which they gave the following answers:—

The Spaniards are settled from Panama, eastward to the river of Chipelo, and an island of that name at the mouth of it.

From thence to the Gulf of St. Michael's, 22 to 23 leagues south-east, they have no settlement at all. That country is all wood, with some small rivers; it is possessed solely by Indians, who are enemies to the Spaniards, and while Mr. Wafer was there they were at war with them.

In the river Santa Maria, which falls into Bay San Miguel, the Spaniards have a settlement. The river runs 14 leagnes

to the north-east from the Sonth Sea into the country.

Their next settlement from the bay is on the shore on a river opposite Island Gorgonia. They have another opposite Galleo Island, on the river Tornaco. Their next settlement is a little south of the Line, from which they are settled all along the coast to Chili.

Upon the North Sea, for five leagues east of Porto Bello to

the river Darien, about 40 leagues, the Spaniards have no settlement at all, and all the inland country from sea to sea within these limits is in the hands of the Indians.

At Golden Island, below Porto Bello and Darien, is a good port for large ships, six or seven fathoms, but no navigable river runs up the main land, and the island is but 20 acres.

To the east is Carret Bay, a good port, with a small river;

and there are good harbours among the Santallas Islands.

The river Darien runs up far. It has a bar of only 6 feet water. About 100 leagues up the Spaniards have settlements, but never nearer the mouth: 10 leagues east of Darien the Spaniards have more settlements.

All along this country, between Porto Bello and Darien, within four or five leagues of the north shore, runs a ridge of high lands. Mr. Wafer lived four months in that country among the Indians, at a place called Audisol. He believes the breadth of it from sea to sea in the narrowest place is about fifty or sixty miles.

The country is capable of producing anything. But the people in all these parts have been so much abused by the Spaniards, that those of that part would at first be jealous of any strangers that should come among them, and not be treatable. So that, if any Europeans should go to settle there, they must at first carry provisions with them. After that the Indians would probably grow more friendly, and plant and sell them corn and make it easy for them to subsist. Then 500 men, or even half that number, might easily settle themselves as not to fear any injury the Spaniards could do them by land.

There are gold mines in the country. The Spaniards had some at Santa Maria within twenty years. The Indians get gold that washes down from the mountains, and the Spaniards get more of that by trade than from the mines.

These gentlemen promised to draw up an account of this country for the Board, and on the 6th of July (p. 117) they

presented the Board with a written account, p. 260.

### REPORT on the above to the Lords Justices.

"10 Aug. 1697.

"Having endeavoured to instruct ourselves with all possible exactness in the circumstances of the Isthmus of Darien, to judge of the facility or difficulty of the execution of the design of the Scotch, and of the consequence of it when done, we have been informed—

"That there is a considerable tract of land on that isthmus from sea to sea, and making a large separation between the Spaniards' territories on both sides of it.

"That the natives are, the far greatest part, at enmity, and often at war, with the Spaniards; only some few near their

settlements having some little commerce with them.

"From sea to sea it is about fifty or sixty miles in the narrowest place. On the coast of the South Sea, by the bending of the land, it reaches from the river Chipelo, twenty-two or

twenty-three leagues, to the Gulf San Magnus.

"From thence to half a league south of the equator, or nine or ten degrees in a straight line, without rekconing the bendings of the coast, the Spaniards have but two or three very inconsiderable settlements; so that the greatest part of that country also for some hundreds of miles is possessed by free Indians.

"That on the north of the Isthmus, from five leagues east of Porto Bello, for forty leagues, to the river Darien, the Spaniards have no settlement at all. Here are many landings and excellent roads for ships of the greatest burthen between the Samballas Islands and the main, and the like at Golden Island, which can be fortified. There is no navigable river on this coast, except Darien river, which, though deep and wide within, is very shallow at the entrance. Some navigable river out of the country to the South Sea.

"Along the north coast is a ridge of mountains four or five

leagues distant, and there is gold.

"It would be no very difficult matter for any European prince or estate to make some secure settlement in Darien, and, by a fair correspondence with the natives, engage them in defence against all enemies.

"How injurious this will be to the Spaniards is easily conceived; and how prejudicial to his Majesty's colonies, especially Jamaica, by alluring away the inhabitants, is hard to be

expressed.

"They therefore recommend a proclamation against joining the enemies of Spain, and to respect the treaties, especially those of Madrid, <sup>8</sup>/<sub>18</sub> July, 1670; and also a prohibition of help to the Scotch, and to take any Englishmen here in Scotch ships.

"Bridgwater. J. Locke. Tankerville. J. Pollexfen."

Board of Trade, No. XX. State Paper Office.

Representation relating to taking Possession of Golden Island and a Port opposite to it, in the Isthmus of Darien.

"To their Excellencies the Lords Justices.

"MAY IT PLEASE YOUR EXCELLENCIES,

"Having, in obedience to your commands, by our report of the 10th ult., offered such things as then seemed to us expedientto prevent any settlements on the Isthmus of Darien prejudicial to the trade of this kingdom, we now, on further information of the circumstances of that country, represent that the said country having never been possessed by the Spaniards, and there being only two ports between Porto Bello and Carthagena—one opposite the south-east of Golden Island, secure for ships of three hundred tons, and the road between that island and the main very good; the other twenty leagues west of Golden Island, called Port Scrivan, for ships of one hundred tons, and dangerous—we are of opinion that a competent number of men should be sent thither from hence, or from Jamaica, to take possession for the crown of England of Golden Island and the port opposite to it on the main, to the exclusion of all other Europeans.

"This work seems to us to require all possible despatch, lest the Scotch Company be there before us, which is of the utmost

importance to the trade of England.

"P. Meadows. J. Locke. J. Pollexfen. Ar. Hill.

"Whitehall, 16 Sept. 1697."

The concurrent reports of the Consul in Hamburgh to the Government on this occasion are curious examples of confidential diplomacy.

LETTER from Mr. ORTH, Secretary to SIR PAUL RICAUT at Hamburgh, to Mr. SECRETARY TRUMBULL.

Hamburgh, 21 April, 1697.

"It was upon command from his Majesty, signified to me by Mr. Blathwayte, that I have presumed to write with the last post, and to send an account of what there was further come to my knowledge of the designs of the Scotch East India Company. Since which, to have a greater evidence thereof, I designed to have tried how far I could have persuaded one of the officersof the Scots ships, who I am told is dissatisfied with the Company, to assist me herein. But the 200 expected

Scots seamen arriving in this river, he was hurried aboard by

the captains.

"As to the Scots company, I hear that, besides those of Avery's crew now on board the Scots ships in this river, his master, a pilot, one of the chief instruments of his piracy, is now in Edinburgh expecting the arrival of the ships, to be a chief officer, and most instrumental in getting together that pirating crew, which the directors desire to have. This being surprising to me, I asked my informant of what use they could be to the Company, since it designed to settle on the south-east coast of America, and Avery had been in the eastern seas. He said Avery had likewise been in the South Sea: moreover, the Scots, after settling in South America, designed to trade with the East Indies in the gold and silver, and to make settlements there in places known to these men: I wish it be not rather to drive their trade. I am further told that Paterson, who is well known in London, is to go with these ships, as supreme director of the same, and of the conduct of affairs in those parts, where I hear they intend to enter into amity with the Indians, and to assist them against the Spaniards. They say they shall have 200 leagues of the country to trade in. this they have told our Hamburgh merchants, who, I am sure, knew nothing of that country before, and are too honest men to add any thing to the story told them first by Paterson, and since confirmed in the many particulars by the captains of the Scots ships, so that it is in my opinion not to be doubted, (blank of a line in the book.)

"The two ships in this river, and designed for this voyage, carry 56 guns each, 12 and 8 pounders. They have each 200 men; and, their lading being timber, they are not designed for the East Indies. I am told they are to take on board at Edinburgh fine linen, lace, and other commodities proper either for

the Spaniards in America or the natives.

"The two ships, to remain here the winter, are to sail in the spring to North America. "ORTH."

In a former letter, Mr. Orth stated that all he reported was from conversation by "word of mouth," there being no documents passed from the Scottish agents to the Hamburgh merchants.

Mr Orth writes again:-

"Hamburgh, 12 Oct."

"That the Scots have made a treaty with the natives of Chili for trade, and for the possession of Arica for a colony and fort, and, besides Darien, intend to have a settlement in the

Straits of Magellan. They will permit all natives to settle in their colonies, and trade on licences. They mean to ask for Avery's pardon of the king; and, when asked why they wanted 'him and his pirates,' I could get nothing but smiles for answer.

"As to the Isthmus of Darien, they tell me that the river which doth conduce thither from the north sea is navigable for ships of 150 tons for six leagues from the north coast; that from thence to the Isthmus or South Sea it was six leagues more, navigable for floats of plank or trees fastened together, on which, if not by land, they intended to send to the said ships (the stream always running thither) the gold, silver, and goods for the south coast.

"When well settled in America, they will trade direct with the East Indies for goods now brought to England and Hol-

land, and so by Cadiz to America."

Mr. Orth writes again:-

"12 Nov. 1697.

"That the settlements are to be in the Straits of Magellan, in Chili, and in Darien, and thence the Scots have sent emissaries to Jamaica and other colonies to inveigle as many inhabitants as they can for their colonies, which are to be 'a porto franco' for all nations. I am told they have sent an agent to St. Maloes and other French ports with invitations.

"I have some reason to believe the French court is in favour of their designs; and I have heard it whispered by French Roman Catholics that perhaps the French will be beforehand

with the Scots in America."

"A Letter from a Member of the Parliament in Scotland, to his Friend in London," which was published in 1695, by Mr. R. Mackenzie, secretary to the Darien Company, seems to be another instance of Paterson's contributing to the work of a colleague, as he had before contributed to Sir Dolby Thomson's West Indies. It is a fair appeal to the reason of the English, and rests upon arguments such as Paterson had begun to render popular. The passage of this tract to be cited as his, is as follows:—

"I have hitherto been, and I am, as far as others from wishing or seeking the prosperity of any country that may in the least interfere with that of my own; yet cannot I forbear being of opinion, that if the government and people of Scotland, or any other nation in their condition, will in good earnest encourage foreign trade, they ought to grant such privileges as are contained in this Act, with some very material additions, which I find omitted there. However, in the main, the Scots

are in the right, if, by granting a few privileges which cost them nothing, they can introduce a warm and vigorous constitution of foreign trade into their country; and it is well for them if the short space of twenty-one years, wherein the chief of the privileges consist, prove sufficient to allure any considerable portion of the rich, warm, and fertile Indies to the poor, cold, and barren Scotland. Such as these, and other large privileges, were granted by the mighty French King above thirty years ago to a company with a larger capital than any in the trading world had before. Suitable to this, the King of Denmark and the Elector of Bradenburgh have granted privileges to an Indian trade, vastly beyond what the Scots claim. The refusal of their claims would have a train of as bad consequences as agreeing to it would have of good; for this design is now weak and uncertain; but, should the government and people of England think it worth their anger, or jealousy, this would at once give it a reputation in the world; and, should anything relating thereto be restrained or prohibited by the government here, it would, like a fountain inclosed, break out with greater violence in other places. This would rouse up and awaken the jealousy of all the rival nations of Europe, and more persons and interests would become engaged in a few days than otherwise would have been for many years. Princes and nations who aspire to trade would take the wing, and private persons would be induced to think there is more in it than really is, or can possibly be: the weak and declining interests and constitution of foreign trade in Christendom would revive, and receive fresh force and vigour, which would probably occasion such a combination and constitution of trode as never was nor perhaps could otherwise have been.

"Thus the more than ordinary fitness and disposition of the Seots to the frugal parts of trade would be rendered so far from being useful in attracting, dividing, and weakening the designs and qualifications of the Northern Crowns, and other nations of Europe who aspire to trade, as it otherwise might,—thus their genius, with, perhaps, no small part of our own, by being restrained and prohibited here, would naturally vent itself abroad, and so become instrumental to the rise and enriching of some of our assuming neighbours; as the like spirit of restraints and violence in Spain and Portugal, though doubtless quite contrary to the intention thereof, proved the most effectual means that perhaps could have been invented, of the prosperity, wealth, and greatness of England, Holland, and others, as well as of their own ruin—for trade, like religion,

loves not force.

"Commonly the more rigid and severe such kind of restraints and prohibitations are, the less they answer the purposed end. Things under such circumstances usually prove like the forbidden fruit, they are coveted the more. Like books sup-

pressed, they vend the better.

"In my judgment we ought neither in justice nor humanity to wish the Scotch otherwise than good success therein; but as to what you say, how much an union of these kingdoms, both in trade and empire, would redound to their mutual security, force, riches, and glory, it becomes not me but the politicians to discuss."

# Q.—(Page xlvi.)

The History of Scotland, by Malcolm Laing, Esq. vol. iv. p. 259—282. 8vo. 1807.

### Q 2.—(Page xlvii.)

Subscriptions poured in so liberally that the highest were

limited to 3,0001; and all sorts of people joined in them.

The following list of a few of the leaders is taken from the original document published by the Bannatyne Club. The Duchess, of Hamilton, who heads it, had large territorial claims in the North American colonies, which are the subjects of voluminous official correspondence.

Entries in the Subscription Book of the Darien Company, preserved in the Advocate's Library, Edinburgh.

	£
We Anne Dutches of Hamilton and Chastlerault, &c.	
doe subscrive for three thousand pounds sterling.—	
Hamilton	3,000
I Lord Basil Hamilton doe subscrive for one thousand	•
pounds sterling.—Basil Hamilton	1,000
I Andrew Fletcher of Saltoun subscrive for a thousand	•
pounds sterling.—A. Fletcher	1,000
I John Haldan of Gleneagles doe subscrive for six	
hundred pound	600
vol. II, [8.] s	

		₽
Ι	Master David Williamsone minister of the gospell at the Edingh. kirk, subscriv for an hundreth pound	~
	sterlyn.—Williamsone	100
1	Sir Robert Chieslie lord provost of Edr. for ye good	
	town three thousand pound.—Rob. Chieslie	3,000
I	Mr. Hugh Dalrymple advocat commissionate by John	
	Viscount of Stair my brother doe subscryve for him	
	for the sum of one thousand pound sterling.—Hugh	
**	Dalrymple	1,000
V	Ve John Marquess of Tweeddale do subscrive for the	1 000
77	somme of one thousand pound sterl.—Tweeddale	1,000
V	Ve James Duke of Queensberrie doe subscrive for three thousand pounds sterling.—QUEENSBERRIE.	9 000
7.7	We Archibald Earle of Argyll doe subscrive for fiften	000ر6
•	hundred pounds sterling.—Argyll	1 500
Т	George Lockhart of Carnwath subscrives for ye somme	1,000
1	of one thousand pounds sterling.—Geo. Lockhart .	1.000
Т	Sir John Lauder of Fountainhall doe subscryve for	1,000
	four hundred pounds sterling.—Jo. LAUDER	400
	Sir Robert Sibbald, doctor of medicine, doe subscrive	-00
_	for the soumme of one hundreth pounds sterling	
	R. SIBBALD	100

# R.—(Page xlix.)

### Principal Dunlop.

There is an account of Principal Dunlop in the Appendix to Dr. Burns's Woodrow (vol. iv. p. 521), from the Dunlop Papers, and from the Denniston Genealogies of Dumbartonshire. He married a sister of Mr. Carstares, and had emigrated to Carolina, but returned in 1690. He and his brethren of the University of Glasgow entered warmly into the plans of Paterson; and it is stated of him, that "in the cruel reverses of the company his experience and sagacity proved highly useful."

Among the Dunlop Papers, it seems, there is a curious correspondence, conducted by Principal Dunlop, regarding the improvement of the Fisheries of the Clyde. He was appointed historiographer of Scotland in 1693. He died in 1700. Dr. Denniston says, that "he was distinguished by the rarely united excellences of an eminent scholar, an accomplished antiquary, a shrewd merchant, a brave soldier, an able politician, a zealous divine, and an amiable man." To use the words of Woodrow, "his singular piety, great prudence, public spirit, universal

knowledge, general usefulness, and excellent temper, were so well known that his death was as much lamented as that of any man in this church." (Ib. 522.)

# R 2.—(Page lv.)

The two following documents illustrate the special case of the loss, and Paterson's social position at the time.

"London, the 13th November, 1701.

"MY LORDS AND GENTLEMEN,

"I am favoured with yours of the 11th September last, and the only reason that I could not give an answer sooner was that Mr. Paterson had some trouble to get some difficulty removed out of the way as to the twenty water shares,—the book-keeper of that office had made a mistake to his wrong. The seventh of this instant I did transfer the twenty shares of the waterworks to a friend of Mr. Paterson, and, at the same time, I received from him, according to your order, two hundred and fifty pounds sterling, likewise paid him fifty pounds sterling, and took his receipt for the same; and also I received of him Mr. Wardrop's note, which here inclosed I send you, and likewise a note under the said Paterson's hand, obliging himself to be accountable to the Company on demand for the interest of two hundred and fifty pounds sterling from the 23rd August, 1697, to the 7th November, 1701. I am heartily sorry for the misfortunes the Company has met with. There are sundry papers and bills of Smith's in my hands, also a tally and warrant upon the additional imposition for three hundred pounds. This is all that offers at present from,

"Your very humble and obedient servant,
"My Lords and Gentlemen,
"Hugh Fraser.

"For Mr. Roderick Mackenzie, Secretary to the Indian and African Company in Scotland."

Dr. Wil	LIAM PATERSON	, Esquire.
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1696. May 29. Aug. 1. Sept. 19. Oct. 6. Oct. 10. Dec. 24. 1697.	To Cash, as per Ledger, folio 1 To ditto To Account of London Exca for two Bi Ja. Smyth To two Bills on Wardrop and Company To Bills, Endorsed Bills, and Money paid To Mr. David Lodge	:	rsed	£ 15,000 5,000 985 2,000 2,000 382	0 0 0	d. 0 0 0 0 0 0
May 22.	To Isaac Cossard he delivered			52	0	0
1699. Jan. 7.	To Alexander Stevenson, for					
	•			56	10	21
			£	25,476	8	5 <u>1</u>
1699.  Jan. 22. To Balance brought down, as per Trading Ledger, folio 1				13		
				£1038	15	11/8
Dr.	WILLIAM PATERSON, Esq.	UIRE.				
	To Balance brought down	•		244	3	11

# S.—(Page Ivi.)

Mr. Hodges was the chief of the libellers imprudently employed by the English ministers against the Scotch. His curious application for money on this occasion is published in the Carstares Papers. In August, 1700, he thus explains the condition on which he is ready to write against the Darien cause. "Only," he says, "I think it proper to put you in mind

	Contra.		$C_{1}$	۰.
1696. May 7.	By John Lord Belhaven, as per Subscription Ledger, folio 708	£ 250	s. 0	d. 0
Sept. 12.	By Messrs. Stewart and Campbell, as per Trading Ledger, folio 1	4,226	•	0
Dec. 12. Dec. 22. 1697.	By Isaac Blackwood	10 18 16,893	$0 \\ 0 \\ 2$	$0 \\ 0 \\ 4$
Jan. 23. May 22.	By John Allan's Bill on Alexander Lang By Isaac Cossard, for Bills delivered	115 3,025	0	0
	By Balance, as per Trading Ledger, folio 1, carried	24,537	13	4
	down	988	15	1-2
		£ 25,526	8	5 <del>}</del>
	CONTRA.		C	٠.
1700. Nov. 7.	By Mr. Hugh Fraser, for Twenty Shares of Hamp- stead Waterworks, per William Woodrop, Letter of Attorney, as per ditto  By Account of  Mr. Hugh Fraser, the By the proportions, viz. the 421. 10s. per cent. of 4001.	250 50	0	0
,,	as a to the Colony, with all the Interest thereon  By his Charges Abroad, in Travelling to Holland and Hamburgh with Colonel Erskin and Glenegles, at	241	12	0
	20s. per diem, is 253 days	253	0	0
	Balance due by him	794 244		0 1
		£ 1038	15	1-
i	Contra.		Cr	٠.

that a too narrow encouragement would neither contribute to my reputation, nor allow me to live at that rate, or in a creditable way, to keep such converse as will be necessary for capacitating me to advance these designs of public good which I have conceived for the mutual interest of the Government and nation. According to my serious reckoning, I think I shall be pinched in supporting my resolutions by any allowance under 3001. a-year." (p. 527.)

The following are passages from his writings, verse and prose, and show how he performed his task.

But the lampoons directed by the assailants of the Scottish Company against Paterson personally, like the above quoted eulogies, establish his fame as the life of the whole enterprise. "The Caledonia, or the Pedlar\* turned Merchant, a Tragi-Comedy, as it was enacted by His Majesty's Subjects of Scotland in the King of Spain's Province of Darien," is a poem of 127 stanzas, many of which are too gross for quotation, yet they are scarcely more offensive than the language of Sir Edward Seymour in the House of Commons respecting our Union with the Scotch. The following stanzas furnish only an amusing historical travestie of the Darien business.

> A sorry poor nation, which lies in the north, As a great many lands which are wiser, Was resolv'd to set up for a people of worth, That the loons who laugh'd at her might prize her.

Her neighbours she saw, and curs'd them and their gains, Had gold as they ventur'd in search on't, And why should not she, who had wits in her brains, From a pedlar turn likewise a merchant?

'Twas the very same thing, since Spain had Peru, With abundance of what they had none, Could they steal it, no matter where the mineral grew. Possession would make it their own.

Thus Paterson saw, their pastor and guide, Who rejoiced such a frolic had seized 'em, And flinging his texts and his sermons aside, Left his flocks to be damned, if it pleased 'em

XIV. The prospect of gain made him off with his band, And away with his Bible Geneve; For he had a business of weight in his hand, The deceiver to cheat and deceive.

He had whin'd and had pray'd, and had laugh'd and had read, Till his heavers were going to leave him, And had got scarce a morsel to put in his head, For the de'el of a jack could they give him.

<sup>\*</sup> The bitterness of the taunt was adopted in the Parliamentary documents of the time. A Petition from Preston to the House of Commons in 1678 asserts that the "loose wandering Scots, with packs on their backs, took shops and lay in barns, and committed villanies to the hazard of men's lives."

<sup>†</sup> London, 4to. 1700, pp. 30, stanzas 127.

XVI.

When he thought it but fit, as an orthodox teacher,
To get rid of his penniless lecture;
And since he looked thin, and had slaved as a preacher,
To grow fat with the name of projector.

Wherefore, packing up his divinity tools,
He left them and their sins to God's mercies,
And forsaking the cure of their ignorant souls,
He put in for the cure of their purses.

XIX.

The people were willing, and ready prepared,
To give way to his Protestant suit,
And greedily caught and believed what they heard,
Tho' they ne'er from the pulpit would do't.

XX

What this sly man of kirk having joyfully found, He made use of his wits at command; And told them he knew of a large piece of ground, Where gold was as plenty as sand.

LX.

A Bill was prepared with a cartload of clauses, That his Majesty might not peruse it, And having a sight of their reasons and causes, Take advice, and go near to refuse it.

TVT

This the good Prince ne'er dream'd of, or suppos'd in breasts Of a people his sword had preserved, But immediately signed, to get rid of his guests, Who fed in his camp as half-starved.

LXII.

For the King had all manner of reason to hope,
That they harboured no thought which was evil,
Nor imagined the zealots, whom he saved from the Pope,
Were running headlong to the devil.

XIII.

'Tis not to be thought but the deputies made All the haste that they could to be gone; And, having ill served whom they ne'er well obeyed, Took horse when their business was done.

LXVII.

The news had no sooner reached Edinburgh town,
And been heard by the famishing tribe,
But the realms of both Indies, every foot were their own,
And the country came in to subscribe.

LXVIII.

Not a man but would gang, and go set down his fist— Many would be put in for the Plate; And since 'twas nothing else but to be in the lists, He'd immediately get an estate.

#### LXXIV.

Having raised what they could, and advanced such a sum As our parish collectors for dues, 'Twas advisable thought to go further from home, And get other lands into their noose.

#### LXXX

And to show them the country next to 'em should have The advantage of those more at distance, They agreed that in England, as a place where a knave Might prevail, and have ample assistance.

#### LXXVIII.

But the Parliament smell'd out the stench of the plot,
As the sinners were serving their turns,
And cantioned the people to beware of the Scot,
If they mean to keep gold in their churns.

#### LXXXII.

Such a rub in his way as a Senate-house vote
Was enough to have damped a man's spirits,
But insolent Paterson kept his first note,
And stood up for the eause and its merits.

#### LXXXIII.

And cursing their wisdom, who could see through the cheat, March'd off with his parchment and scrowls, And endeavouring to shake the dust from his feet, Had like to 've got rid of his soles.

#### LXXXIV.

For he'd trotted so far on an errand so vain.

When his time and his labour were lost,
That to set his great remnants together again.
Was too hard on the Company's cost.

After describing in the same strain the visit of Paterson to Holland and Hamburgh for subscriptions, and an ill-prepared voyage to Darien, with the disasters of the colony, the poem concludes with two stanzas.

#### XXVI.

Two-thirds being dead, and another made slaves
By the Spaniard, for fear of his ore,
They left felling trees, and ceased digging graves,
And crawl'd to their ships from the shore.

#### CXXVII.

The first time a Scot ever wished himself home,
For want of good air and of bread,
And the last, if he's wise, that he from it will come
On such a fool's errand as trade.

Hodges also wrote a grave defence of the Government, under the fiction of a parrative by one of the Adventurers returned from Darien after the disasters. The statements of

this writer are valuable as hints to trace Paterson's previous career in the West Indies, although the utter falsehood of the imputation upon his employment as a preacher, throws suspicion over all his assertions.

In the mock dedication to the Company, he states, that if "you had listened to the wholesome advice of Mr. Douglass, an eminent and experienced man in India, who offered himself for your pilot, and his substance for your security, and had not been bewitched to the golden dreams of Paterson-a pedlar, tub-preacher, and, at last, whimsical projector-you might have had a good colony in India." He then proceeds: "William Paterson, the author of this project, and penman, as it is shrewdly guessed, of the Octroy (the Darien Company's Act of 1695), came from Sctotland in his younger years, with a pack at his back, whereof the marks may be seen, if he be alive. Having travelled this country some years he seated himself under the wing of a warm widow, near Oxford; where, finding that preaching was an easier trade than his own, he soon found himself gifted with an ardent spirit. Prophets being generally despised at home, he went on the propaganda fide account to the West Indies, and was one of those who settled the Island of Providence a second time. But meeting with some hardships and ill luck, to wit, a governor being imposed on them by the King of England, which his conscience could not admit of, the prosperity of their constitution was altered, and they could no longer have a free port, or sanctuary, for buccaneers, pirates, and such vermin, who had most need of being reclaimed into the Church. This disappointment obliged predicant Paterson to shake the dust from off his shoes, and leave that island under his anathema."

"Paterson returned to Europe some twelve years ago (1687) with his head full of projects, having all the achievements of Sir Henry Morgan, Batt Sharp, and the Buccaneers, in his budget. He endeavoured to make a market of his wares in Holland and Hamburgh, but without success. He went afterwards to Berlin, opened his pack there, and had almost caught the Elector of Brandenburgh in his noose; but that miscarried too. He likewise imparted the same project to Mr. Secretary Blathwait, but still with the same success.

"Meeting thus with so many discouragements, in these several countries, he let his project sleep for some years, and pitched his tent in London, where matter is never wanting to exercise plotting heads.

"His former wife being at rest, as well as his project, he wanted a help that was meet for him, went no further than the

red-faced coffee-woman, a widow in Burchin Lane, whom he afterwards carried to the Isthmus of Darien (to die).

"While he sojourned in London he found employment for his head; and, like a true quack, boggled at nothing that offered itself for his thoughts. He was concerned in the Hampstead water; and had an original hand in the project of the Bank of Eugland. Being obliged, as he says himself, to communicate his thoughts to some eminent men, who were men able to carry it on, they bubbled him out of the premium and glory of the project. The man, thinking himself ill-used by the managers of the Bank of England, studied how to be up with them; and, in opposition to it, he applied himself to the project of the Orphans' Bank, where he was afterwards some time a Director. But thus missing of the wished-for aim, by reason of the clipped money, &c. and he meeting with some disgrace there too, was resolved to be even with the body of the nation.

"Thus, discontented and uneasy in his mind, he roused up his Darien genius; and, having vamped it up with some new light he had got by conversing with Dampier, he marched, bag and baggage, to the ancient kingdom, where it met with such encouragement at first sight that Tweeddale's Act was, viis et modis, conceived and born in a trice. At this time, and for some months afterwards, Paterson had more respect paid him than the King's High Commissioner, and happy was he or she that had a quarter of an hour's conversation with this blessed man. When he appeared in public he looked with a head so full of business and care as if he had Atlas's burthen on his back. If a man had a fancy to be reputed wise, the first step he was to make was to mimic Paterson's phiz.

"He brought with him a couple of subtle youths, to put his own crude and undigested notions into form. One was a Walloon by birth, whose native name was Scrrurier, his English name James Smith. He had acted as secretary to the famous Italian prince who put so many tricks on the Hollanders with his philosopher's stone, At this juncture he passed for a considerable London merchant. The other was Daniel Lodge, born in Leith, in Scotland, of Yorkshire parents, bred a

merchant in Holland, but cracked."

"Paterson preached now only on India trade in London, taking no notice of Darien, except to "some select heads able to bear it." Large subscriptions poured in, when the House of Commons stopped them. In Scotland their funds then were soon filled, viz. £400,000; and Alexander Stevenson, the treasurer of the church, and Gibson, a merchant of Glasgow, were

sent to Amsterdam and Hamburgh for more subscriptions. The Company lodged a large sum in the hands of Serrurier, alias Smith, to meet the charges of that deputation, viz. £18,000 to £20,000, which Smith misapplied, "with Paterson's acquiescence," says Hodges, whose account of the fraud, and its consequences, in a song, is the compound of malicious fiction and humorous truth. The form of Smith's fraud upon the Darien Company was his non-acceptance of bills drawn upon the funds entrusted to him.

"Daniel Lodge, one of the agents associated with Paterson in the business, was at Edinburgh," adds the party pamphleteer, "when the first bill was protested; and had his papers seized and carried to the Company's office, with a couple of sentinels placed over them; but, he being Yorkshire blood, Scotch born, and Dutch bred, it was not easy to foster anything upon him.

"Paterson was at Hamburgh upon the embassy when he heard of the misfortune of the bill; but all he could do was to sigh and look dull. Nevertheless, it was observable that, although Paterson railed at Smith behind his back, there was never an ill-word between them when they met; for you are to understand that Smith was one of the Company's commissioners in Holland and Hamburgh about the time he suffered the bill to be protested in London.

"A committee of five managed the Company's business abroad. Paterson and Smith were the two first;—, a Scotch merchant of London, the third; the Laird of Gleneagles, for the Church; and Colonel John Erskine, the darling of the Church, made up the quorum, the two last being men of honour, but strangers to trade. Gleneagles being arrived in London, they articled with him at Moncrieff's coffee-house, in November, 1696.

"In Holland the Dutch were generally pleased with the Scotch East India trade; but, through an ugly accident at Camphor, at Paterson's landing, the Company's pottage was in danger of being miscooked. The story runs thus:—The passage had been rough, and the skipper had not provided plentifully for his passengers. This was the occasion of Paterson, when landing, and entertained hospitably by one Panton, a merchant, tasting more freely of the creature than he was used to do, for he always set up for a water-bibber. This Panton perceiving, plied him warmly, and took the liberty of pumping him. Paterson's tongue ran glib with the Hollands water; in the eulogium of the Company he babbled out a secret, viz.: That their Act empowered them to give commissions to all kinds of people, without asking their nation; to trade to the Indies

under Scotch colours; and that such people might dispose of their India goods where they pleased, providing they made a sham entry into Scotland; and, if the Company agreed to take three per cent. on the goods, such ships, as traders with their commissions, would undersell the English seventeen per cent. Panton was glad of the news; and no more subscriptions came to the Company—all the capitalists running upon the commission of three per cent., and the profit of seventeen per cent.

"It was too late for Paterson to eat in his words, so that all there could be said was, that this power of issuing commis-

sions was only to be used if all besides failed.

"But the Dutch East India Company was alarmed, and induced the authorities to stop the subscription.

"At Hamburgh the committee succeeded till King William

interfered."

The reply to this attack is entitled "An Inquiry into the Causes of the Miscarriage of the Scots' Colony at Darien; in an Answer to a Libel entitled a Defence of the Scots' abdicating Darien." Glasgow. 1700. Svo. pp. 82.

It treats the "scurrilous reflections of Hodges on Mr. Paterson" with contempt. They can "do that honest man no hurt"

(p. 53).

As to the design to settle Darien being kept secret, it is denied. "It was so well known in England that they sent Captain Long, the Quaker, to precede us. He was, we think, near a month before us."

In Mr. Laing's "Various Pieces of Fugitive Scottish Poetry," principally of the 17th century (2nd series, Edinburgh, 8vo, 1853), there is a poem, by an Unfortunate Englishman in Edinburgh, upon, "the Undertaking of the Royal Company of Scotland trading to Africa and the Indies;" originally published in Edinburgh, 1697. It declares with pride, that there is "no land but boasts the tomb of some great Scot," and then expatiates upon "Free Trade" in a spirit worthy of our days.

. . . . Trade needs no fertile acres for support, Wherever freedom lives, it makes its court, And only craves a safe and open port. But where it's wanting, pennry is found, And makes such land inhospitable ground. A proof of which is miserable me. Who never did one willing injury; And yet have more than six years' prison found, For setting foot on Caledonian ground. The theme I treat is glorious, gre dt, and brave, But he that sings it a poor chained slave. A wanting stranger too, despised by all, Whose bare complaints are counted criminal.

Cease then, my Muse, and speak of this no more, But shift thy fancy to the English shore. In that once happy land, and may it be Happy again, which I scarce hope to see, There lived a set of merchants, might become The wisest council board in Christendom.

In the Harleian Miscellany, with Notes by Oldys and Park (4to, London, 1809, Vol. II. p. 290), there is "An Elegy on the Death of Trade, by a Relation of the Deceased" (London, 1698, 4to, p. 13), in the same spirit.

A worthy old dame,
Mother *Trade* was her name,
That had long lain in desperate state;
Pereciving at last
That all hopes were past,
Contentedly bends to her fate.

There's her grand-daughter, Art,
Hath a'most broke her heart,
For the loss of so faithful a friend;
She sits in her chair,
In the depths of despair,
And seems to draw near tow'rds her end.

Industry, her sister,
When she left her she kiss'd her,
And bid her for ever adieu;
I must seek out a place
Where to alter the case
For here I find it won't do.

Her cousin, Invention,
Seems, too, in declension,
And sits down by her and cries,
Oh! what shall I do?
I have nought to pursue,
Except it be forging of lies.

The whole routine of professions and occupations are then passed in order, and the decay of them displayed.

The merchant says:---

"I'll sell what I've got, and Go off into Scotland,"

and so ends the doggrel.

A poem upon the undertaking, of some political pretensions, although rugged in its verse, representing the Scotch as for ages devoted to war, at home and abroad, and now disposed to adopt the wise commercial habits of the English.

In this great school, some Scotsmen now are bred, And there find out the mysteries of trade. Among the many visiting every shore, Judicious Paterson, and many more, Fraught with experience, back again do come, Striving to propagate their skill at home.

Our neighbours, who so hate our British isle, They seek our ruin, at our losses smile. Haste, look about you, English men, he cries, The Scots will trade; Scotland is growing wise: Her Senate does discern her interest, They'll cherish trade, by which you once were blessed. Free trade to the Indies and America Will make them rich like you, you poor as they.

The poison drunk, soon the infection spreads, Making disdain and mischief fill their heads; As a wise thing at home enraged they grow, And by their votes the utmost malice show; As if these lands were not together joined.

Let trade increase, no matter where its seat, If either thrives, it's Brittany great, great! That Scotland's like to thrive is very plain; They've got a law, and can that law maintain; A law that sets all sorts of trading free—No land a wiser law did ever see.

Wise Paterson, or his friends, could charm but few, Though all they said was potent, just, and true. They made it evident that trade by sea, Needs little more support than being free; All that our nature needs or can desire. All that for pride or pleasure we require.

Free trade will give, and teach us how to use, Instruct us what to take, and what refuse; Trade has a sacred virtue none can see. Though ne'er so wise, except they traders be: It is not ten per cent, nor three times ten, Makes a land rich, but many trading men.

It's not an easy task to stem the tide Of noisy scoffers, which do still deride All that their brutal senses have not tried. I who know this, and see what here is done, Admire the steady sense of Paterson. It is no common genius can persuade A nation bred in wars to think of trade.

The inequal commercial regulations of the English are thus indignantly inveighed against, as having ruined the Scottish plantation trade; the African and Indian Company, however, is hailed enthusiastically, as opening a new career.

But, says the poet, since it is also foolish to complain, He brings my thoughts to Scotland back again; Where all the truths that Paterson has said, Had in the end but small impression made; Had not the English votes, and noisy fears Awaked the land, and opened all our ears. Thus, as one man, the nation has combined, And speedily a mighty stock is joined. That the design is wise, I surely know, Though what it is I justly may not show; Nothing can be achieved, though ne'er so wise, If once made known, but will find enemies. This much I'll say, those that oppose it most Will in the end find all their labour lost!

They need not trade in paths we've trod before, Of undiscovered trade the world has store; With hills of silver, rivers paved with gold, Such lands the sun doth every day behold. On some such shore, from all pretenders free, This company designs a colony; To which all mankind freely may resort, And find quick justice in an open port. Then every man may choose a pleasant seat, Which poor men will make rich, and rich men great.

The same topics are urged with equal zeal in the more doggrel verse of "Trade's Release, or Courage to the Scotch Indian Company; in an excellent new ballad, to the tune of The Turks are all confounded."

Its stanzas exhibit the public excitement of the hour in a broad light; and one may be quoted for its warmth in honour of the subject of this memoir.

Come raise up your heads, come rouse up anon! Think of the wisdom of old Solomon,
And heartily join with our own Paterson,
To fetch home Indian treasures;
Solomon sent afar for gold,
Let us do now as he did of old,
Wait but three years for an hundred fold
Of riches and all pleasures.

The second expedition had also its poets. The news of the safe arrival of the first excited a fresh agitation throughout Scotland. Such events suggested "The free Recruits for Caledonia of the Rising Sun, their farewell to Old Scotland;" which is a brief copy of verses by a volunteer, then in the Kyles of Bute. He promises heartily to raise "a new Glasgow" in Darien, and send the gold of Darien home to old Glasgow.

To a pious "Ode made on the welcome news of the Safe Arrival and Kind Reception of the First Expedition to Darien," published in 1699, Caledonia replies by a bitter "Complaint and Resolution," when the opposition of King William and the English to the enterprise had begun to produce its disastrous effects.

I'm resolved, she says, to carry on, My children's interest in new Caledon, In spite of the English, and of Willie's nose.

In which the King is made to return a somewhat uncourteous

rejoinder.

In his enthusiasm upon intelligence of the successful voyage of the first fleet the pious poet thus appeals to the King to favour the enterprise—

Now if, great Sir, you list to lend an ear, From a far country joyful news we hear, Fourth of November, thou auspicious day, Your valiant Scots their colours did display Into a western world, where they did meet Thousands of welcomes prostrate at their feet. Kind, harmless heathens, whom through time we vow To have good subjects both to God and you.

What human counterplot can mar the thing, That is protected by Great Britain's King? Our claim is just, and so we value not The brags of Spain, nor thunderings of the Pope. Who may well threaten—yet Don dare not fight When he minds Darien, and old eighty-eight.

Nor shall insulting neighbours henceforth taunt The gen'rous Scots for poverty or want. Our ships through all the world shall go a run, Even from the rising to the setting of the sun.

"The Golden Island, or the Darien Song, in commendation of all concerned in that noble Enterprise of the valiant Scots, by a Lady of Honour. Edinburgh, 1699," is written in the same enthusiastic spirit, when all was hope, if not poetry.

When we were on the Darien main.

And viewed the noble land,
The trees joined hands and bowed low
For honour of Scotland.

And still we bless the Lord of Hosts.
And all our benefactors,
And drink a health to Albany,
For all our brave directors.

### T.—(Page lxxxviii.)

Captain Long, the commander of the ship-of-war mentioned in Dr. Wallace's Journal as having arrived in Darien a few days after the Scots, took possession of another part of the country in the name of the King.

# T 2.—(Page xci.)

No connected narration of the several expeditions of the Scots has ever been published. Abundant materials for such a narrative exist in the tracts of the time, of many of which Mr. Hill Burton has given a list in his History of Scotland; in Sir John Dalrymple's Memoirs; and in the original MSS. in the Advocates' Library, in Edinburgh. A valuable selection only of those MSS. has been published by the Bannatyne Club. It is probable that good cotemporary papers on the subject are still in the possession of the representatives of the unfortunate colonists.

### U.—(Page xcii.)

How much Queen Anne's ministers on this occasion expected a civil war, may be inferred from the fact of the six northern counties being then specially armed, in order to be prepared for an invasion by the Scots, who might have found much sympathy from the disaffected population of those counties. The following account of the foreign events which led to that dangerous crisis, from the "Four Last Years of the Reigning Queen" (p. 27), offers a powerful justification of Paterson's views in regard to the Spanish West Indies and the designs of Louis the Fourteenth:—

"Though King William and the States-General went further in the Partition Treaty than could be well relished by the Commons of England; yet all the advantages proposed by it to France were not sufficient to satisfy the ambition of the French King, who aimed at nothing less than the whole Spanish monarchy. Therefore King William engaged in this treaty, to hinder the said monarchy from falling wholly into his hands; for the French agents were now very active at the Court of Spain, to get that King to declare the succession to his crown, in favour of the House of Bourbon; whereby the two monarchies were in danger of being united under one crowned head.

"At the same time, the French armies were drawing in very great numbers towards the Netherlands, and were raising new

fortifications almost within cannon-shot of the Dutch frontiers, which very much alarmed that Republic, obliged them to cut their dykes, and to put some of their country under water.

"This extraordinary increase of the French power, with the King's open and barefaced encroachments on his neighbours, in violation of the most solemn engagements, his seizing the trade of the Spanish West Indies, and debarring the subjects of other nations, which was one of the first steps he took with respect to Spain, carried such a threatening aspect, that the Parliament of England resolved unanimously to oppose him.

"Thus far the Parliament thought fit to resolve concerning France, judging rightly, that these encroachments of the French Monarch n his neighbours would soon affect England, unless a timely stop was put to them; and accordingly a good number of forces were sent over the same year to join the Dutch; a good fleet was also equipped and sent to sea, and preparations were made to carry on the war vigorously. King William also went over to Holland, and entered into a fresh treaty with the Emperor and the States-General, in consequence of the Grand Alliance, wherein they agreed mutually to assist each other against the common enemy until satisfaction should be given to the house of Austria in relation to the Spanish succession; that the Spanish Netherlands should not be left in the hands of the French, and that the English and Dutch should keep all such places as they should conquer in the West Indies during the war."

# U 2.—(Page xciv.)

No. 12,437 of the Additional MSS, in the Museum. These MSS, were presented to the Museum by Mr. Long, a descendant of the historian of Jamaica in the last century.

### U 3.—(Page xevii.)

In the Appendix to the second volume will be found a financial document of 1701, which seems to be alluded to by Paterson.

### U 4.—(Page xeviii.)

King William's energetic adoption of the design to attack Spanish America.

So early as in March, 1701, troops were ordered from Ireland with extreme urgency and secrecy. Benbow was sent to the West Indies with ten ships; and the Admiralty even appre-

hended that too large a force would be taken away from the home service, and, at a cabinet council held in December, it was determined to moderate these great efforts. (Correspondence of the Earls of Clarendon and Rochester, by Singer, vol. ii. pp. 353-393, 410, 418, 423, 428, 429, 4to, London, 1828; and the Minutes of the Cabinet in the State Paper Office.)

In September, the Secretary of State, Mr. Vernon, writes,—"We furnish the Post-Boy with as much as they know of the

expedition of Benbow." (Ibid. p. 388.)

It was on the 31st of December, 1701, that King William made his famous speech to Parliament. Measures were even taken to assemble the Buccaneers for this service, as is positively stated in the Vernon Letters, edited by Mr. James.

### U 5.—(Page xcix.)

A tract in Paterson's style of composition, having intrinsically all the merits of his enlightened views, was published in 1702. It proposes a perpetual commission for checking the Public Accounts, as Paterson states he had done in the paper communicated to King William. This paper is given fully below. It is selected for eulogy by the Economist, in an article of the 23rd October, upon the first imprudent edition of this work. Inquiries into the abuses in the expenditure of the public money had already been vigorous in the reign of King William; but they were occasional, as they continue still to be. Paterson wished to establish a permanent, effectual system of audit. Such a permanent system is wanted now; and Paterson's views on the subject are of the greatest importance. millions of our money never audited, are subjects of suspicion of the widest character.

# U 6.—(Page c.)

The Earl of Peterborough was appointed to the command of the land forces in this expedition. In one of his letters he states that he had been called upon to give ministers a lower estimate of the strength wanted for it than was already agreed to be indispensable. It is clear the requirement of men elsewhere was an obstacle to perseverance in the West India operations, which the Duke of Marlborough held to be far less important than his own great movements in Flanders and Germany.

### V.—(Page cv.)

Search has been made without success among the records of the Admiralty for this paper. Paterson's considerable nautical experience, combined with his mercantile knowledge and his taste for mechanics, would naturally suggest to him many improvements in the naval service.

### W,--(Page cviii.)

This refers to the large bequest by Mr. Atkinson to Glasgow, to popularize the study of political economy.

# W 2.—(Page cix.)

The proceedings upon Paterson's petition upon this double return are entered in the journals of the House of Commons, 1708.

### W 3.—(Page cix.)

Paterson's services in promoting the Union deserve to be made the subject of a special disquisition, for which the materials are offered in his Dialogue of 1706 and in the Dupré MS. published in this volume.

# X.—(Page cxvi.)

Paterson's career raises the most important questions to which the administrative reformations recently begun give great interest. We are only resuming efforts for that end which be-

long to our political and legal history for ages. In his time, the revolution of 1688 had excited hopes of improvement on this head, often disappointed before; and his case seems to have been long looked upon as a hard one, for which there was no remedy. Marked out by public opinion for the highest administrative posts, he was appointed to do only the most arduous, and almost unseen work. He passed the latter years of his life in struggling for the payment of money due to him under Acts of Parliament.

The subject of appointments to public posts is well illustrated by a tract, intituled, "Offices and Places of Trust not to be bought or sold, or given to insufficient persons. By E.

N." London. 4to. 1660, pp. 13.

The following passage from this tract, including the statute of Richard II. (1388), on administrative appointments, opens that whole subject; and, as in Paterson's time there was still need, as his case proves, of this good law being better observed, so now the public could be usefully reminded, by the efforts of administrative reformers, of the existence of this solid constitutional basis of almost all we want on this head. It depends simply on zealous men putting this law in motion, by a few prosecutions, if needed, to cut up illegal patronage by the root.

The author of the tract opens his statement of "what qualifications the law of England expects of all who are to be subordinate magistrates and officers" under the Crown, by a short sketch of the laws of all other nations on this head. most true," he says, "that if offices and places of trust in any nation be given to men not qualified, or sold, this would be a bar to all generous endeavours. Who would industriously and strenuously betake himself to any ingenuous art or profession if money or squint-affection shall preponderate true worth? Friends or money then will do that which pains, learning, and long experience (gotten by length of time, and variety of occurrences,) shall never be able to compass without them. Friends and money are the fodder of the brutish part of man, but not his purest nutriment: and it is the fate of wise men often to be poor, and I cannot call it their fault to be modest. They are poor, they cannot buy; -they are modest, they will not beg, because they conceive merit overweighs money or friendship in wise men's esteem.

"But," pursues our author, after showing that in all ages ages and in every nation upon earth, the true rule has been to make worthiness the test of fitness for public employments, but there is little need of looking abroad for other authori-

ties, histories, and laws, against sale of offices and places of trust, and enjoining the disposing of them to the most worthy, the laws of England are of themselves sufficient to this

purpose."

In support of this sound doctrine, E. N. cites Fleta and Sir Edward Coke, who deemed the following statute worthy to be written in "letters of gold and more fit to be executed:" but especially the old statutes; and sets forth this Act of 12 Richard II., word for word:—

### "12TH YEAR OF RICHARD 2ND, CAP. II.

"None shall obtain offices by suit, or for reward, but upon desert.

"Item: it is accorded that the Chancellor, Treasurer, Keeper of the Privy Seal, Steward of the King's House, the King's Chamberlain, Clerk of the Rolls, the Justices of the one Bench and of the other, Barons of the Exchequer, and all other that shall be called to ordain, name, or make justices of peace, sheriffs, escheators, customers, comptrollers, or any other officer or minister of the King, shall be firmly sworn that they shall not ordain, name, or make justices of peace, sheriff, escheator, customer, comptroller, nor other officer nor minister of the King, for any gift or brocage, favour or affection; nor that none which pursueth by him or by other, privily or openly, to be in any manner of office, shall be put in the same office, or in any other; but that they make all such officers and ministers of the best and most lawful men, and sufficient to their estimation and knowledge."

He then extends the doctrine to ecclesiastical preferments,

and concludes with these memorable words:-

" From all the authorities and laws that I have thus troubled

you with, give me leave to infer thus much:-

"1st. That the sale of offices and places of trust is pernicious to the Crown, for it corrupts the crystal stream of royal justice, and makes that vendible which should be free. He that will be so sordid as to buy against law, will think himself indulged to be so base as to sell also against it.

"2nd. That the light of nature is not so dim and purblind but it can see,—not so degenerate but it can abhor—corruption

and unworthiness in places of trust.

"3rd. That thus the ship of the reahn must shift her sails as the wind of the goddess money shall blow, and go this, or that, or any other way, though it be upon apparent rocks, to the hazard of its ruin, if money bids. "4th. That it spoils the harmony of the world by inverting the order of nature.

"5th. It is a bar to ingenuity and study after all noble endowments if gold shall overbalance goodness, and if an ass laden with money shall carry precedency before an heroic and generous soul, never so well furnished and laden with worth and learning, the richest earthly furniture of mankind."

These sentiments and the statute were not without response even under the two last Stuarts. In the important administrative case of Perceval Brunskill, in the seventeenth century, every point analogous to the objects of the statute was raised,

and the statute cited with proof of its efficacy.

Mr. Perceval Brunskill was an attorney-at-law in very good repute, holding an office in the Record Department of the Rolls, with some ractice. He had also a small independent fortune. In his business he had noticed great abuses in the levy and appropriation of fines payable upon certain legal processes; and, being a man of conscientious feelings and strong resolution, he acted upon his official oath, "not to conceal such abuses to the damage of the Crown and the subject," and therefore discovered them to Charles II., with proof that a public loss was thereby incurred to the amount of 400,000l. per annum. The case was made clear to the satisfaction of the law officers, and the honest, intelligent informer was to be promoted in the department which he thus sought to purify. Thence, however, came his ruin, and a struggle of thirty to forty years for redress. The heads of the departments which Mr. Brunskill attacked—the great judges who shared the plunder-set themselves vigorously to work to defeat his proceedings. The post intended for him was given to another before he could obtain admission into it under the king's appointment; his private practice was undermined, and his means of subsistence materially lessened. He appealed to the king; even got some favourable audiences, but no regular adjudication. He was enabled to stand his ground in the struggle until the Revolution of 1688 closed the first eighteen years' scenes in this official drama. This Revolution was to put many wrongs right, and Perceval Brunskill now took heart the more as he had in the Convention Parliament numerous supporters of his claims. Fifty members, it is stated, signed their approval of his representation of those claims addressed to the king. He also repeated his charge of gross peculation in the law offices to the public loss of 400,000l. a-year. Nor can a doubt be entertained as to the correctness of his views. committee of the House of Commons examined the case, and

288 APPENDIX.

reported that his proofs were irresistible, recommending immediate redress. This was in 1693, when money was enough wanted for the service of the state. The House, however, less judicially inclined than the committee, refused to adopt the report; yet small grants of money and of crown-lands were given to him, as appears by the Treasury minutes of the time, At length, by great perseverance, and with the help of scores upon scores of signatures of Members of Parliament, Mr. Brunskill obtained a reference to the Attorney-General, who made a report fully bearing him out.

This report was made in the twenty-ninth year of a contest for a claim, moderate as far as the individual wrong, but which, if satisfied, must have stayed a course of public plunder, amounting to the enormous sum of 400,000l. a-year for twenty-

nine years, or at least thirty millions sterling!

Now, if a TRIBUNAL had existed such as the Judicial Committee of the Privy Council, before which this case could have been brought of right, Mr. Brunskill would have escaped his official martyrdom, and the public service would have been so far amply and honestly provided with money. Such access, of right, is provided for by the Privy Council Act of 1833, in appeals from the tribunals to the Judicial Committee; but in all administrative cases amenable to it a discretion is still left to the Crown (that is to say, to ministers and their delegates) whether claimants of the Crown's justice shall be heard or Before the statute of 1833 was passed it was open to argue that such discretion was usurped against the best usage, and contrary to the coronation oath, by which the sovereign is bound to be just, and therefore to hear. But by the express words of the statute, making bad worse, the matter is left absolutely to a fatal discretion. This was urged, but in vain, at the time upon the attention of Members of the House of

Recent cases might be adduced to show the crying injustice of this want of a tribunal to decide administrative cases judicially.

In the United States, after seventy years' experience of the mischievousness of our old system in this respect, which was continued from the practice of the old colonies, such a tri-

bunal is recently constituted.

The single point provided for by the statute of Richard II, set forth above, has recently given occasion to very important incidents. One effect of discussions at the Revolution of 1688 was the proposal of a Bill to secure fit appointments to all branches of the public service, upon which the Secretary of

State, Vernon, in his letters, has given important details. The Bill failed, as other improvements of the time failed, because our public men had not at that time public virtue to bear it. It is a mark, surely, of the good progress making, that the vigorous attempt of the last few years for the same object, is much better received. But it has been resisted with no slight boldness, as shown in the following passage on a recent measure of administrative reform.

"The basis of the whole scheme—that of governing on principles of the strictest purity, even so as to exclude all patronage whatever-is it as sound a principle as, at first sight, it appears to be? Is the rule, Detur digniori, founded on a truth so evident, and on maxims of such universal application, that we ought to apply it to 16,000 public offices at once? It is, at least, a perfect novelty. It is a rule never hitherto enforced in any commonwealth except that of Utopia. It does not prevail in the legal, or medical, or sacerdotal, or naval, or military, or mercantile professions. It is unknown to the great commercial and municipal corporations among us. In every age, and land, and calling, a large share of success has hitherto always been awarded to the possessors of interest, of connection, of favour, and of what we call good luck. Can it he that all the world is, and has always been, wrong about a matter so level, as it might seem, to the capacity of the least wise, as well of the wisest? Or, if such an error has become thus inveterate in our thoughts and habits, is not the very fact of the inveteracy of it a serious obstacle to this plan? The lawgiver may keep ahead of the public virtue, but he cannot shoot out of sight of the moral standard of his age and country. The world we live in is not, I think, half moralized enough for the acceptance of a scheme of such stern morality as this."—(Letter to the Treasury, signed James Stephen. "Papers on the Civil Service," 1855, p. 57.)

The writer of these lines betraying at once extreme ignorance of history and the law, and gross want of principle upon a capital point of Christian ethics, describes himself as having been for more than thirty years the legal adviser of, and otherwise employed in, the Colonial Office, and as now a Professor at Cambridge and at Haileybury, and a Privy Councillor! Adding an utterly false estimate of the better side of human nature to his mistake of the law, he declared his conviction that our public men would not consent to forego patronage. Happily however he could not stop the beginning of administrative reform; and it is expected that enormous abuses in his rule of our Colonies for thirty years will now at least be corrected, and

the wronged by his means, be indemnified.

### Z.—(Page cxvii.)

In the tract entitled, The Four last Years of Queen Anne. there is a passage which confirms the conclusion of the Editor. that Paterson was not consulted in the formation of the South Sea Company, the first rise of which is there attributed to "a scheme given in to Harley some years before, by Dr. Paul Chamberlayne, a man well known for his skill in man-midwifery, and who it seems had made a voyage to the West Indies in his younger days. His proposal was, that a conquest should be made of some part of South America, and colonies settled there, as in Jamaica, and the other English plantations, which Mr. Harley at that time seemed to neglect as an idle But perhaps he might take some hints from it, for when he was out of all employment, he was observed often to find fault with the management of the war, and it was the usual topic of his friends, when they talked of the public affairs, that the only way to bring the war to a right issue, and to weaken the power of France and Spain, would be by sending a strong armament to make conquests in the Spanish West Indies; that being the main source from whence the French king drew his supplies.. Some overtures of this kind were also made to the then ministry by other hands, but they looked upon all such projects to be both expensive and impracticable, and such as might expose the common cause to the greatest hazards; and therefore they always continued firm in this resolution, that there was no other way so feasible to reduce the power of France as by taking their strongest towns in the Netherlands which guarded their frontiers" - an opinion which Lord afterwards rejected; and so crushed the French power in Canada.

The following portions of a printed letter of the time, preserved in the library of Guildhall, seem to shew it to have been written by Paterson. They prove that he had not been con-

sulted in planning the South Sea Company.

THE ADVANTAGES OF THE SOUTH SEA TRADE. (Addressed to the Earl of Oxford.)

"Excuse me, my Lord (says the writer), if one who never had the happiness to be introduced to your Lordship's patronage, and contrary to modern custom, was too modest to introduce himself, come now to congratulate your Lordship on your glorious success in the affair of the South Sca. The commands of my superiors some years since imposed upon me the task of inculeating somewhat of the same nature into the hearts of the heads of the late ministry."

Then after alluding to the efforts of Harley, by means of the enterprise, to relieve the nation from its financial difficulties, the writer proceeds;

"Pardon me if I offer some few reasons that may encourage all who wish well to such a wisely-digested undertaking, to a

prosecution of their ever dearly-beloved interests.

"The benefits which the French have reaped from the South Sea trade are a sufficient argument for our undertaking it, and the weariness of a peace will not afford any reason to slacken our preparations, or with any one that will consider that there has been a time when interest got the better of jealousy in the Spaniard. Since we pretend not to seize but to secure their mines to them against the invasion even of ourselves, of course in return gratitude will inspire them to grant us a freedom of that trade which others have taken almost wholly from them upon special grounds. In a treaty it were not difficult to prove to them that by allowing reasonable customs on exports and imports, their property would be in less danger than of late years. We ask not to interfere with their mines of gold or silver. A freedom of traffic is all we ask.

"Such freedom would secure their mines. For while liable of late to ravages of any superior power, it would be the interest of all to protect them from the particular invaders—the Drakes, Raleighs, Morgans, or Pointis—so dangerous in late

ages.

"This trade may prove the speediest, if not the only means of procuring peace to Europe. It may be the sinews of war, as the South Sea trade is the fountain of supply to France. The consequence is obvious; and the public and private interests are so interwoven, that quickness of returns being considered, no trade can compete with this."—(The library of Guildhall. Miscellaneous. Folio. No. 6.)

### AA.—(Page cxvii.)

Some particulars of Paterson's case of claims are stated in p. 238 above.

### BB.—(Page cxvi.)

The documents on his residence in Holland are published in Editor's Life and Trials of Paterson.

The accession of George the First has not perhaps been strongly enough insisted upon by our historians as the turning point in the confirmation of free policy, and the principles of 292 APPENDIX.

the revolution; but although that auspicious event rescued William Paterson from misery, and events have justified his opinions, political and financial, a passing reference to it is all that belongs to it in this place.

### CC.—(Page cxxii.)

Paul Daranda, Paterson's executor, is known in connection with him from as early as 1694, the year of the proposals of the Orphan Fund, for which they were trustees together. His name is entered for a large sum in a patriotic loan in 1695. He is mentioned as arrived from Amsterdam in 1701, when Lord Shaftesbury then writes to the merchant Mr. Furley about him as follows: "I have received yours by Mr. 1) aranda, with whom I am extremely glad of the opportunity of being acquainted." (Foster's Correspondence of Locke, Sidney, and Shaftesbury, with Furley, privately printed, London, 8vo. 1847, p. 93.) He subscribed 4000l. to the South Sea Company's fund in 1811, as appears by the list of the original shareholders in the British Museum. After Paterson's death he became a member of the Royal Bank of Scotland, the capital of which provided for the Equivalent Fund; and in the charter of that bank there is an entry of the indemnity of 18,2411. 10s.  $10\frac{2}{3}d$ . the portion of the Equivalent given to Paterson by the Act of Parliament of 1715. A fae-simile of a bill of exchange, drawn by him upon Jacob Tonson, in 1727, is here given, to shew his handwriting. It was found by Mr. David Laing on the back of a pamphlet, as if so transmitted for safety. He died at Putney, in 1729, intestate, as appears from his widow having taken out letters of administration to his estate, of the amount of which no proof has been found. Paterson's affectionate esteem for him, as shown by the munificent legacy of 10001, one-eighth of the testator's fortune, seems to be a sufficient confutation of alleged fraud committed by Daranda against Paterson's family. A tradition to that effect prevails in Scotland, where it is also said, that large sums still remain in the Bank of England, a portion of Paterson's estate unaccounted for at his decease. asserted to have been instituted against him in respect of this estate; but the editor has not been able to trace them.

In order to put such statements to a fair proof, he laid an information on the subject before the Lords of the Treasury; and as nothing was done in the case, it is to be presumed that no fund unaccounted for exists in the Bank. A similar mistake has prevailed in regard to the Royal Bank of Scotland.

That body having been the depository of the annnity of 10,000l., for which its advance of money to pay the Equivalent Fund was the consideration, an erroneous notion has arisen that it became possessed of Paterson's fortune; a supposition negatived by the character of the bank's foundation. The editor has given currency to such statements in papers connected with his work on Paterson, and gladly offers this conclusion on the point, with his acknowledgment of the courtesy with which his application to the Secretary of the Royal Bank of Scotland, for any particulars its records might afford respecting Paterson, was entertained. He may still be permitted to repeat a suggestion made in those papers, that the Directors of so prosperous an institution, intimately connected with the name of Paterson, and a singularly favourable example of the wisdom of his views, would do well to aid every effort to honour the memory of this Scottish worthy.

### DD.—(Page cxxiii.)

Another interesting case of redress at the accession of George I., against the "violent party" of Queen Anne's reign, is recorded in the State Paper Office;—Domestic volume for 1715. It was that of Captain Wyvil, of the Royal Navy, who had retired to Holland after many years of good service and neglect.

### EE.—(Page cxxiv.)

The contemporary critic attributes the "Fair Payment no Sponge," to either "Paterson or De Foe;" but Mr. Crossley's opinion, stated in the preface, that it was written by the latter, will not be dissented from by any reader of the tract.

### FF.—(Page cxxix.)

In the "Historical Register" for 1719, published by the direction of the Sun Insurance Office, there is an elaborate detail of the resistance of the Parliament of Paris, and other corporations, to the dangerous financial measures of the time. The principles, urged with great force by those illustrious bodies, are analogous to Paterson's, and directly opposed to Law's. It may be presumed that the directors of the Sun Office were partisans of the sound Patersonian doctrines of finance.

## GG.—(Page cxxxiv.)

See Life of Paterson by the Author. Edin. 1858.

### 11.-(Page 2.)

This condition was stipulated for by the Treaty of Union.

### JJ.—(Page 4.)

This reference to the remarkable mistake of Professor Stewart, whose writings are well known, will be enough without extracting the passage.

### KK.--(Page 89.)

This allusion to the *Mendicant* Friars seems to have lost its point, from reforms in the practice of the Church of Rome.

## LL.—(Page 109.)

The State Paper Office is singularly meagre in documents for the period here referred to; and for the reign of William III.

## LL. 2.—(Page 110.)

This remarkable fact exists in an original letter preserved in the documents of the period in the State Paper Office.

## LL. 3.—(Page 110.)

The reports of the Board of Trade on this occasion are extracted.—(p. 257, above.)

## MM.—(Page 111.)

The appointment of the Earl of Peterborough to a command in the West Indies, at this time, is recorded in the Admiralty papers.

## NN., OO., PP.—(Page 112.)

During the last twenty years, numerous elaborate plans have been formed for the various routes, the best of which is still undetermined.

## QQ., RR.—(Page 113.)

Recent inquiry confirms the editor in his conclusion, that Paterson took no part in any expedition overland to India. These Armenian Merchants came to Europe by ship, via the Cape of Good Hope; and it is known that an envoy from the Emperor of China, of the same period, died on his voyage to the Czar of Russia by the same route.

### SS.—(Page 114.)

Some records of these sittings of the Privy Council in the City, are preserved in the Guildhall Library. The whole ought to be published for the Judicial Committee in Whitehall.

### TT.—(Page 114.)

Nothing would be more useful than the full publication of Paterson's special plans for the administration of our Colonies. The troubles that threaten us at uo remote period in the Canadian, South African, and Australian Settlements, and in India, may be averted by such a work.

## UU., VV., WW., XX., YY.—(Pages 141, 142, 144, 145.)

The editor abstains, with regret, from inserting details he had collected upon all these passages from the Atlantic, and upon the Havannah. The subject is highly interesting; but justice cannot be done to it in the space remaining in the present work.

## 33.—(Page 190.)

The change in population since the date of the Commonwealth scheme of representation, seems to render the details, here abridged, uninteresting.

## AAA.—(Page 213.)

Allusion is here made to the violent Acts of the Scottish Parliament, passed mainly by the efforts of Andrew Fletcher, as exhibited in his published speeches.

### BBB.—(Page 227.)

At this period, from 1698 to 1705, the interior of China was opened to the trade of foreigners, and especially to Christians, by the success of the French.

### CCC. -(Page 227.)

By the treaty of Union, the Scottish Council of Trade was merged in the Privy Council of the United Kingdoms, and the discussion here promised was lost in consequence of Paterson being deprived of his indemnity during all the reign of Queen Anne.

## NOTES TO VOL. II.

### A.—(Page 5.)

The authorities referred to in the text for the opinion, that in 1695 a real Wednesday-night Club existed in Friday-street, and that the Bank of England originated in its debates, are Mr. Macculloch, in his "Literature of Political Economy," 8vo. 1841, p. 140; Mr. Lawson, in his "History of Banking," second edition, 8vo. 1856, p. 403; and the earlier address of Mr. Allardyce, in 1798, to the Proprietors of the Bank, 8vo. p. 42.

## B.—(Page 6.)

The author of the letter to Locke, printed at the commencement of the Appendix, has not been ascertained by the slightest extrinsic proof, and the style is somewhat more terse than that of Paterson's later writings. The opinions however supported in it are identical with his, and the reasoning of the whole letter is perhaps more powerful than any other monetary work extant. It has also considerable historical value.

### C.—(Page 7.)

The origin of our Sinking Fund is much disputed, and the merit of the measure has been given to various persons, such as Secretary Stanhope, Sir Robert Walpole, and Mr. Archibald Hutcheson. In the following extract from a pamphlet of 1729, attributed to Mr. Pultency, the point is fully examined:

"I shall make a few remarks (he says) on the Sinking Fund, which may enable you to judge of the true rise and foundation of this fund.

"It cannot be thought surprising that so prodigious a scheme, as it is represented, should produce more than one pretender to the honour of its invention; but that a certain person (who hath

very little just pretension to it) should so confidently arrogate the whole glory to himself, is indeed matter of some astonishment; for it cannot escape notice, what great endeavours have been used to fix the establishment of this fund to the year 1717, being mentioned no less than five or six times, with a particular emphasis, in the representation, and yet perhaps they may fail of having the designed effect; for if we look no farther than to the beginning of his late Majesty's reign, and remember that the Act which establishes the aggregate fund, passed in the first year of it, under another administration; that Act must certainly be allowed to be the beginning of a sinking fund, since her late Majesty's death; for though it is in a particular manner appropriated to the paying off and cancelling exchequer bills, yet it is very ridiculous to imagine that the design of establishing this fund was not, as the whole tenour of the Aet plainly shews, to lay a foundation for paying off the national debt, notwithstanding that these bills are first named because they were the most expensive at that time to the public.

"This Act therefore hath certainly the preference to any others, in this light, as it brings a real increase to the sinking fund by the addition of ten or twelve several duties, with the appropriation of all unappropriated money that should at any time remain in the Exchequer for this good use, which plainly shews the extensive views of this Act, and this clause for many years added a good sum to the sinking fund; but, about the year 1722 (when our annual expenses were increased, and the undertakings of our ministers enlarged), this great addition was taken from it; and, if the other duties and surpluses had not been appropriated by this Act towards the payment of the national debt, we may be almost assured, from what hath happened in the case of the coal duty, that they would have been long since applied to other services, and the produce of the sinking fund would have

made but a poor figure in the discharge of our debts.

"It is therefore certain that the aggregate fund deserved some notice at least; because, besides having produced so much a greater sum towards the discharge of the national debt, it hath the undisputed merit of having completed the civil list to 700,000l. per annum in the last reign, and now stands engaged to make it good to 800,000l. per annum, in case the present funds should not produce more. This fund hath likewise paid the interest of the 1,079,000l. raised for the service of the year 1716, and hath hindered that new and heavy debt from being a burthen to any minister now living.

"It is true that the reduction of one per cent. upon the South-Sea Fund was made in 1717 but took place only from

the Midsummer following, and hath produced to Michaelmas

1726, 246,289l. surplus only.

"The reduction of the interest paid the Bank for exchequer bills was likewise made in 1717; but the late Mr. Lowndes (who perfectly understood these things, and looked upon it as a consequence of establishing the aggregate fund,) always carried

this saving to that account.

"I should not have troubled you with these particulars (which in truth are of no consequence to the public) if I did not hear it continually asserted that the Acts passed in 1717 were the beginning and establishment of the sinking fund, as well as to do justice to the memory of a noble lord at the head of the Treasury at the beginning of his late Majesty's reign, who was as desirous to pay off the national debt as any man since, and had actually formed designs for this purpose, not subject to those inconveniences and mischiefs which have arisen from the bungling work of some of his successors, by proceeding upon stock-jobbing plans and views, which had been entirely prevented if the schemes of this noble lord had fallen into the hands of men endowed with his capacity and integrity to put them in execution. I have been informed that he did not indeed think of laying any new duties and impositions on the people for this purpose, being fully persuaded that they were too much loaded already; yet he thought of one method besides the only three methods which it is said could be found out, and that was by contracting our annual expenses to such a sum as the nation was able to raise within the year; and, if this only had been pursued, the kingdom had been some millions less in debt than it is at present.

"It is usual for men who are but little acquainted with what passes in the world to be easily led into an admiration of things new and unknown to them, and they commonly ascribe the honour of a meritorious action to the person who claims it with the greatest confidence; but surely in this case no man's vanity can so far impose on himself, much less upon the sensible part of the world, as to make them believe that the reduction of interest is any particular discovery of his own, since nothing can be more plain and obvious to common sense; for it is no more than what every prudent man hath done, or endeavoured to do in his private affairs, and in public affairs no more than what was practised, about sixty years ago, by the famous De Wit, in paying off the debts of Holland; and though some people, perhaps, have been too busy in taking care of their affairs at home to look much into transactions abroad, yet they might have learned this wonderful secret from a sheet of paper entitled, 'A Letter to a

Member of the late Parliament, concerning the Debts of the Nation. Printed for Ed. Poole, under the Royal Exchange, anno 1701. Price 3d.

"In this little paper the whole mystery of the sinking fund is very particularly, plainly, and fully laid down; so that any man, for the price of three pence and half an hour's reading might have been made as wise in this particular as by the study of twenty years, and have built up as pompous a monument to himself.

"The reduction of the high interest which the great expenses of long wars had occasioned was so natural a consequence of quiet and peaceable times that the hopes and appearance of it only in the year 1717 had done this to the hands of our ministers; and, unless we suppose them to have been inexcusably wanting in their duty, they could not any longer have delayed lowering the interest of the redeemable national debts from six to five per cent. which was then the legal interest of the kingdom, and had been so for some years before, by virtue of an Act passed in the late queen's reign.

"This was owned by a very intelligent person (a Member of the House of Commons and a director of the Bank, since deceased), who declared, upon the late debates, that the sinking fund was not the product of any one man's invention, but the natural consequence of the Act of Parliament in the queen's

time for reducing interest."\*

The tract of 1701 thus referred to is too important, as containing the first plan ever made for paying off the national debt, to be omitted, although its authorship can be given to Paterson upon little more than intrinsic grounds. Although written less in this redundant style of his later works, it is identical with them in its purpose. Nor will it be forgotten that he was at this time in confidential communication with King William, or that his letter of 1809 to the Lord Treasurer Godolphin, expressly refers to his other personal papers.

This tract is as follows, with an addition from a copy of its second edition published in London in the same year. The first edition has no plan of publication. The two copies here

used are in the Bodleian Library.

"Dec. 20th, 1700.

"SIR,—I have received yours of the 4th instant, in which you desire an account how much has been raised by Parliament from the 5th of November, 1688 to the end of the Session of Parliament, 1699, and likewise what the present debt or interest is, and how

<sup>\* &</sup>quot;Some Considerations on the National Debts, the Sinking Fund, and the State of Public Credit: in a Letter to a Friend in the Country." Lond. 1729. 8vo.

much is paid per annum for the sum, and what may be annually paid off, with my thoughts of the more probable method of soon discharging the nation from the debts contracted in the late war.

"I shall therefore, in obedience to your command, endeavour according to my power, to give you such satisfaction; and if I fall short in any particulars, its for want of better information.

"For the annual grants I have taken the stated accounts of the commissioners appointed by Parliament in 1697, since which I have referred to the Acts of Parliament. A list of those grants you receive herewith.

"For an account of the present debts at interest, I take the state of them as they were the 19th of December, 1699, and what was then paid for the same, which account I have examined, and though there are some very small errors, yet the charge not being greater than it ought to be I have made that my standard, and have added one column more, to shew what each article has repaid from that day to this. This account you have likewise sent you.

"As for the other debts without interest, they are now under the examination of commissioners, who are to lay them before the House of Commons as soon as stated; therefore I shall at this time pass them by, without any other remark than that they may be more than the amount of the forfeited estates in Ireland. The reversion of annuities are not in themselves a debt, annuities being only chargeable with interest: thus, if that should be reduced, they would then become a debt, which makes me mention them.

"It is to be observed in the account above, that there has been paid off and discharged from the principal this year 912,812l. by reason whereof I must therefore shew how much the interest is run into arrear, there being several deficient funds, for which there is not provision of interest, which will enable me to give a perfect answer to your next question, viz.: How much may be annually paid off? I have therefore sent you the estimate of all the branches of the revenue of the year 1699, as also those of the civil list, to which there is joined a list of the deficient funds with their interest, and the balance how much may be paid off.

"Lastly I have added an account of what may be paid off in six years, if the interest should continue as it is, and that the revenue should be the same. And I have in another account shewn what may be paid off and discharged in the latter time, if interest shall be reduced to five per cent., which answers your

last question.

" On all which I have made some short remarks, which, with due submission, I leave to your judgment, not doubting but they may be of some use to you, to improve as your leisure and opportunity permit.

An Account of what has been given by Parliament from the 5th of November, 1688, to the end of the Session of Parliament, 1699, each year.

```
£
                                       d.
First
                      1,184,786 16
Second
                      2,535,452
                                       2
Third
                      4,224,861
                                       0$
Fourth
                      3,337,268
                                  8 9<del>1</del>
Fifth
                      3,471,482 16
                                       1
Sixth
                     5,030,581
                                       9
                                       6
                                  0
Seventh
                     4,883,120
                                      0
Eighth
                     7,961,469
                                   0
Ninth
                     4,887,160
                                      91
                                       \frac{1}{5\frac{1}{4}} (To the conclusion of the Peace at Ryswick.
                    44,516,182
                                              Peace at Ryswick.
                                   1 11%
Tenth
                      4,499,999
Eleventh .
                      1,684,015
                                   1 113
                                   3 11½ Since the Peace exclusive of the Civil List.
                      6,184,014
                     44,516,082
                                       53
                      6,184,014
                                  3 11$
```

An ESTIMATE of all the BBANCHES of the REVENUE, 1699, and of the CIVIL LIST.

	€	8.	$d_{\bullet}$
Excise, old and new, on beer, ale, &c	855,601	5	5
Customs, old and new, additional and continued, coals,	,		_
wine, vinegar, tobacco, and East India goods	1,457,006	5	1
Post-office, or letter money	90.504	10	6
Births, marriages, &c.	50,000		Ŏ
Double and single stamped paper, &c.	80,000		ŏ
Houses or glass windows	45,000		ŏ
	240,000	_	ŏ
Salt, on the several branches	2.800		ŏ
Hackney coaches	20,000	-	ŏ
Hawkers and pedlars	68,777	-	ő
Small branches	00,111	U	0
	2,209,685	1	0
	, ,		
Civil List. $\pounds$ s. d.			
Tonnage and poundage on old Cus-			
toms			
Hereditary and temporary excise . 428,778 0 0			
Post-office, or letter money 90,404 10 6			
Small branches			
	958,964	10	6
			_
Out of which is paid in clear money			
700,000l. per annum.	1,950,720	10	6
To pay principal and interest there will remain	1,201,003		82
The interest then was	1,251,000		
	749,717	0	93
To pay principal	183,681		64
Interest run into arrear this year	100,001	_	
		-	
	933,398	6	4

### An ACCOUNT of the DEBTS and FUNDS.

Leather from Wales	$\pounds$ $\pounds$ s. d. $504,438$ at 7 0 0 per cent.	£ s. 35,310 13	$\frac{d}{2\frac{1}{4}}$
Exchequer Bills and Malt Tickets First, 3s. ayd	1,505,000 at 7 12 1 ,, 424,099 at 8 0 0 ,,	114,442 14 33,927 18	
	2,433,532	183,681 5	$6\frac{3}{4}$

An Account of the several Sums paid off from the Principal, since 19th December, 1699.

£		£	8.	d.				£	8.	d.
22,600	at	5	0	0	per cent.			1,130	0	0
64,205	at	5	0	0	- ,,			3,853	10	0
616,107	at	7	0	0	.,			43,127	9	91
30,000	at	7	12	1	,,			2,281	5	0

A COMPUTATION of what may be PAID OFF and DISCHARGED in the same time, if the Interest were reduced to 5 per cent.

```
December 20th, 1700, at 7l. 12s. per cent. the interest stood thus:

£

5. d.

Rest, at interest

13,394,593

0 0, paid for the sum

1,136,246

16 11½

When at 5 per cent.

669,729

13 0, more than 5 per cent.

466,515

3 11½

912,512

466,515

2

1,379,027
```

			£	8.	d.
The First Year			1,379,027	0	0
Second ,,			1,447,978	7	0
Third "			1,520,377	5	4
Fourth ,,			1,596,396	2	7
Fifth ,			1,676,218	18	8
Sixth ,,		•	1,760,024	14	7
			9,380,021	8	2

A COMPUTATION of what may be paid off from the PRINCIPAL DEBT in Six Years, according to the proportion of payment betwixt 19th December, 1699, and the 20th December, 1700, at 7s. 2d. per cent. which was the nearest the interest then paid off as per account of the payments.

		£	8.	d.
The First Year		912,512	0	0
Second,,		977,300	7	0
Third ,,		1,046,688	13	6
Fourth .,		1,121,003	11	0
Fifth		1.200,694	16	6
Sixth ,,		1,285,944	2	6
		6,544,143	10	0

The folio edition of 1701 contains the following additional Tables.—

An Account of the Debt's at Interest on the Exchequer, the 19th December, 1699; and what was then paid per Annum for the same; likewise what has been paid off from that time to 20th December, 1700.

		Borrowed.	Repairl.		Owing.		Interest per Annum.	Repaid from 19 Dec. 1699 to 20 Dec. 1700.
On the third 4s. aid		$\mathcal{F}_{000,000,1}$	$\mathcal{E}$ 1,397,422	.L 402,578	at 51, per cent.		£ s. d. 20,128 0 0	
The first 4s, aid The fourth 4s, aid	177	1,896,874 1,800,000 967,985 569,293	1,814,575 901,554 766,538 479,328	82,299 898,446 201,447 89,965				1,725 49,500 13,000
		5,234,152	3,961,995	1,272,157	at 6l. per cent.		76,329 8 43	64,225
Tobacco, &c. Two-thirds Excise Salt, &c.		1,500,000 999,815 1,871,827	707,600 870,760 281,080	492,400 129,055 1,590,747	There is said to be less borrowed now than last	less	Besides repaid	419,886 9,500 170,000
Low wines Coales to leather		69,959 564,700	39,760 60,262	30,199 $504,438$	year 40,000 <i>l</i> .			16,721
		5,006,301	1,959,462	2,746,839	at 71. per cent.		192,278 14 7	616,107
Exchequer Bills . Malt tickets from 62d nave.		2,700,000	1,765,000	935,000				
ment		٠		000,000				30,000
				1,535,000	at 71, 12s. 1d. per cent.	_	116,723 19 2	

	Borrowed.	ftepaid.		Owing.		Interest per Annum.	Repaid from 19 Dec. 1699 to 20 Dec. 1700.
First 38, aid	$\mathcal{E}$	1,075,901	£ 424,099			£ 8. d.	વ્યક
Tobacco	:		300,000				
Third quarter poll	200,000	267,050	232,950	•		•	3,000
Additional imposition	510,000	70,000	440,000			•	000,6
Births, marriages, &c	650,000	2,000	648,000			•	64,480
Paper, vellum, &c.	324,114	88,512	235,602			•	8,000
New coals, &c	200,000	146,120	353,880	•		•	95,000
Bank	2,280,000	18,810	2,261,190	The two last dividends	st dividends		
New India	2,000,000		2,000,000	should be deducted from the payments this year.	educted from		
	8,264,114	1,668,393	6,895,721	at 81. per cent.		551,657 13 7	179,580

Million Lottery for 12 years at Michaelmas last Million Annuities for 92 years on 20 January next	elmas last anuary ned			1,000,000 1,000,000			ભ્ર	<b>ં</b>	ġ.	વ્યક
				2,000,000	2,000,000 at 147. per cent.	•	080,000	0	0	
Survivorship uncertain, at 101. 10s. at present One, two, and three lives ditto, at 121.	present	•		300,000	300,000 at 10% 10s. per cent	. '	31,500 0	0	0	
In all		•	•	15,152,295		•	1,268,618 13		45	
Subscribed to the Banks Repaid	£ 864,000 18,810									
	845,190 to be deducted	to be d	educted	845,190	845,190 at 8l. per cent	•	67,615	7	0	
Remains at interest	•	•	•	14,307,105	There is paid for the same	ame	1,201,003	6	30 34	912,512
Which at 5l, per cent, is		•	•	•			715,355	ئن 4	0 8	
More than 5t, per cent. 15	•	•	•	•		•	1,201,003 9 83	6	1 %	

304 APPENDIX.

"The argument for reducing interest would by these computations be much stronger, if it were computed at what would be paid was there nothing of deficiencies; the interest of which is run into arrears in both estimates; in the first of which there is 21. 2s. per centum discounted, p.

"From what has been shewn of the yearly grants,—the present revenue and exclusion of the current charge of each succeeding year,—the debt at interest,—and what is paid per annum,—I

thing the case stands thus:

"During the first eleven years there was expended five millions per annum, which is just ten shillings in the pound on the lands and houses in England, if it be computed that four shillings in the pound raised but two millions.

"According to which computation the present revenue is six shillings in the pound within a trifle; the current charge something more than two shillings: and will make together a sum of near eight shillings in the pound as aforesaid.

"Which must remain a rent-charge on the nation so long as

the debts remain.

"It is to be observed that, one year with the other, there has not been raised on land during the war above three shillings in the pound; the other seven being upon labour, under which section I reckon trade of all sorts.

"At present there are but two on land, and yet there are six on labour; which shews of what great consequence labour ought to be esteemed, and brings me to the reason we have to lessen

the public interest.

"For, if it be observed that, during the war, the best estates have been raised by trading with the Exchequer, so that many of our merchants and others have left off their former employments, and turned their money that way, or to stock jobbing, to the prejudice of trade in general,—we may conclude that, upon the same reason, the like practice will continue as long as they can make eight or nine per cent, of their money without any other hazard or change than from the Exchange to the Exchanger; whereunto add that such money is employed, as it bears nothing of the burthen or charge of the nation, so it keeps the sinews of trade still under the inconveniences of war.

"I cannot end thus without taking notice of what remains of worse consequence whilst the nation stands thus mortgaged.

"So if any foreign nation should give us an affront, in what capacity shall we be to demand satisfaction, when all the branches of the revenue are engaged for so many years to come, and must remain so for more years than I will venture to say, unless such measures are taken as have been intimated, seeing

that after 1706, to which time most of them are continued, there

will remain as many millions to be repaid.

"I shall only hint to you what has been demonstrated as the balance of the debt as above, that the nation pays for one year with another upwards of 100,000% per annum more than five

per cent. interest.

"Which sums related would in a few years discharge the whole debt, and free us from the great impost on labour, and would by necessary consequence throw us into trade, disengage the land of taxes, and set us on an even balance of trade with our neighbours,—secure all the lenders their principal and five per cent., and put all the funds on an equal par without raising any tax more than the current service of each year.

"I shall conclude with saying that I think it consistent with the power and privilege of Parliament thus to do. Otherwise they would not, in cases of indisputable necessity, have varied the manner of security to the lenders, or, instead of making good the deficiencies of several funds out of the next aides as the Acts promised, let them have continued to this day unprovided for."

## D.—(Page 7.)

In "The Conduct of Walpole," published in 1717, "The Wednesday's Club Dialogues," and other tracts it gave rise to, are discussed as follows:—

"But, to return to Mr. W----, his business being at the head of management in the Treasury, there lay a new burthen upon him, which the office was never engaged in before, the business of the treasurers has for some time past been too much taken up with the study of ways and means, viz. finding out funds to raise money for the service of the year, and to support the exigencies of the government, that is, in brief, their employment has been principally to study how they might run the nation every year farther in debt, till the taxes they laid, and the funds they entailed upon them, left us under the insupportable burthen of fifty millions sterling in debt; and not only so, but as every year's service called for new funds to supply new occasions, there seemed to be nothing before us but a certain and unavoidable necessity of running the kingdom of Great Britain into an unfathomable gulf of debt, increasing every year, till it must at length be ruinous and destructive.

"This was a herculean labour, worthy of a genius superior to all the persons in that office that had gone before him, and this

306 APPENDIX.

was the thing Mr. W—— applied his thoughts to with such a steady resolution, that it was apparent he saw his way through it the first time he looked into it; nor did the difficulty at all surprise him, much less discourage him. The debt was immense, as has been said, being no less than fifty millions of money, the interest was an unsupportable burthen, having been laid in a time when the great want of money and the other circumstances of those times made the rate of usury extravagantly high and and oppressing, and was the more so now, because the common, lawful rate for the interest of money was reduced to five per cent., whereas the interest of those debts were, most of them, at seven or eight per cent., and for others from six to seven per cent., so that it was calculated by some to be seven per cent. or thereabouts one with another.

"This difference of the interest of money presented Mr. W---- with a real fund for abating the principal debt, seeing it appeared highly reasonable that as the law had reduced the value of all monied men's estates in the kingdom to five per cent. only, the proprietors of those debts should be likewise reduced to an equality with others. Mr. W——— was not ignorant what a storm it would bring upon the heads of the managers of such an undertaking, what clamours the people would make, and how loudly they would exclaim against him in particular for what they would be sure to call a breach of the public faith, and a destroying of parliamentary credit; but as he was sure his aim was taken right, and was only for the good of the whole body, it was with conrage that he went through all the difficulties which stood in his way, and having prepare his measures for the introduction of it into Parliament, he first suffered the public to be apprised of the design, and let them gradually spend the first fury of their artillery against it.

 and contained the particulars of the public debts, with the calculations of the years in which they would be reduced according to the several proposed methods, by reducing the interests, and for paying the principals out of the savings from the reduced interests; by which he made it appear that in about twenty-two years the nation might be effectually clear of debt, and consequently the heavy taxes, which are, indeed, an insupportable burthen to the poor and a heavy clog upon trade in general, would be entirely removed.

"This book was called 'A Dialogue among the Members of a Club in Friday Street," &c. and met with a general approbation among those who applied themselves to enter into such calcu-

lations and inquiries.

"There was another book which followed this, and pretended to confute it, called 'The Wednesday-Club Law; or, the Injustice, Dishonour, and Ill-Policy of breaking into Parliamentary Securities.' This was on the other side to an extreme, as may be guessed by the title, and its author was said to be one Mr. Broome. After this the former book, or at least the argument, was supported by another, entitled 'Fair Payment no Sponge.' This was also said to be written by the order of the first contrivers. Some said it was written by the aforesaid Paterson, others, who pretended to speak from better information, said it was done by Daniel de Foe-let it be written by who it will, it had some things of weight in it for supporting by argument the first proposal in the book of Mr. Paterson's, and therefore seems to be written in concert with the authors or directors of the thing This I mention, because of the following argument brought by that author to answer the complaints of injustice in reducing the interests of the funds, and which seemed to put an end to that debate: and which being of moment to the question. take as follows,—

"'Had the circumstances of this nation, upon what account soever, obliged the Parliament to have raised the interest of money to ten per cent. as it was in former times, I desire to know what these gentlemen, who had lent their money on Parliament securities and funds, would have said if they had been the only persons who should have been left to make four per cent. less of their money than other people? How loudly would they have complained of the ingratitude of the government, who took their money at the common interest of the day when they wanted the loan, and when it was a service to the nation to lend it, and should now take no care that they should be upon an equal foot of interest with other people; but should take the advantage of the letter of their contract, and tie them

308 APPENDIX.

down to receive but six per cent. for their estates, when all other people, even those that had done them no service, were

at liberty to make so much greater an advantage.

". Then how full of reasonings would they have been upon the equity of the case? That though it was true they did lend their money at six per cent. with some little advantage for encouragement, it was because the current interest of money was then no higher, and every man that lent money expected no more in cases of other loans; that the value of money was so rated at that time by law; and they then stood upon a level in the rate of their estates with other men. But that they could not be supposed to lend their money to the government, which was an act of service to their country, and be forgotten, when a general alteration of the face of things should happen, which might be to their advantage. That it would be very unjust that others should be allowed to make ten per cent. of their money, and that they only should be the men who should suffer, and sit still, and see their estates made worse than other mens, only because they had lent them to the government, and had run the hazard of them for the public service. That all such loans were made by the rule of the laws, and that the interest of their money was stated by the rate of money at that time; but not to be tied down so as that the rate of their money should not rise when the value of other men's money should rise, or that they should not be kept on a level with the rest of the nation, as they were when they lent their money.

"'If these reasonings had not been admitted they would have gone on with them thus: that if their demand of a higher interest, in proportion to what new loans were made at, was not admitted, they desired they might have their principal money paid them back again; that at least they might be at liberty to make the best of their estates in common with other people; that this was but common justice; and that to deny them this would look like taking advantage of them, as if the government had caught them and would hold them-a thing below the honour of the public, and which would make men cautious for the future how they dealt with them at all. That in effect it would destroy the public credit, make the ministry be looked upon like sharpers that would draw the subjects in to make a prey of them, and not give them the due construction of their circumstances according to the nature of things. That to borrow their money at low interest and then raise the lawful interest of money in general was a bite upon the lenders, and the government might now take the same money and lend it back again even to some of the same persons, or, if not the

same, to others, and so get four per cent. by them, which would be the most scandalous way of tricking mankind that ever was heard of. That certainly they had a right to insist on being allowed the common lawful interest of money, and be put upon an equality with their neighbours, or to have their money paid them back again, that they might make the best of it as other men did of theirs. That if the interest had fallen as well as it was risen there was no doubt but the government would have thought it very just to have obliged them to fall with it, or, if they had refused, would have ordered them to be paid off, that money at a lower interest might have been borrowed in the room of it, and that, therefore, they could not but insist upon it, that they should be either put upon a level with the rest of the people in having their interest raised, or be paid back their money and sent about their business.

"'It cannot be called begging the question to state the reverse of the case in this manner, seeing the thing is so natural that the force of argument is scarce to be resisted; in the meantime let it stand as it is, viz. an appeal to all the world for the justice and reasonableness of the suggestion, and there is scarce a man in Exchange Alley who, if he would impartially turn the tables, would not allow that these would be the arguments to be used in that case. Why, then, the same way of reasoning shall not be good in the present matter I can see no reason to determine; let every man judge as his own thoughts shall guide him, but let them be impartial, and speak of it as if they were not concerned in the particulars, for there is always a great difference between our freedom of arguing when the case is our own, and when it is perfectly indifferent, and we are not concerned one way or other.3

"These things having thus apprised the people of the design itself, we may reasonably believe Mr. W---- had by that time laid all his schemes for the performance, which, the Parliament being then approaching, he had resolved to lay before them.

"At the opening of the session his Majesty, who could not but approve a design so well calculated for the general advantage of people, recommended it for the consideration of the House of Commons with great earnestness, as a thing of great concern, and, as it were, absolutely necessary to be done. The House also willingly came into the thing, at the first motion from the throne, as appeared by the return they made to the King's Speech in their Address, wherein they express their sense of the necessity, and their resolution to answer his Majestv's expectations, and those of the people also, as follows:-

""We are all but too sensible of the insupportable weight of the national debts, and therefore will not neglect to apply ourselves with all possible diligence and attention to the great and necessary work of reducing and lessening, by degrees, this heavy burthen, which may prove the most effectual means of pre-

serving to the public funds a real and certain security.'

"It is in this posture that great affair now stands, and let it be finished when, how, and by whom it will, the man that shall have the honour to perfect it in the House will scarce want modesty so much as not to acknowledge that the honour of the whole contrivance, and of the scheme for its execution, is all

due to Mr. Walpole."

## H.—(Page 36.)

A fondness for scriptural illustration is not uncommon in other writers of the period, but is particularly remarkable in Paterson, of which the following pages are a curious instance.

### I.—(Page 62.)

Lord Macaulay refers to this passage as his authority for a similar statement in his History of England, vol. iv. p. 503, without being aware that the author of the Wednesday Club Dialogues was Paterson, of whom there is a disparaging, loose account in that history.

## J.—(Page 64.)

THE BANK OF ENGLAND FOUNDED BY PATERSON.

It would be difficult to fix the time when "banks and bankers" did not exist in the world. But it is clear that they grew up among us, as now established, from early in the seventeenth century. In 1646, John Benbrigge, a Sussex man, published a tract, which places the matter in a clear light historically with a new theory of his own on banks. This tract is dedicated to William Hay, Member for Rye in the Long Parliament, an ancestor of another William Hay, who for twenty years in the House of Commons zealously advocated reforms like those set forth by Paterson in the "Proposals of a Council of Trade," in regard to the poor.

This tract has the following expressive title, with which are

here given some of the striking passages of the work :-

USURA ACCOMMODATA; or, a READY WAY to rectify USURY: in a BRIEF DECLARATION how that EVIL, which is so often found and justly complained to be sometimes in Lending for Gain, may find a safe and certain REMEDY. By I. BENBRIGGE, Φιλοπολίτες.

"Felix imperium in quo subditi evadunt tam meliores, tum etiam ditiores, i.e., 'Happy is that Government wherein the People become both better and richer.' Danæus in Aphorism. Polit. Civitates tunc intereunt cum bomnequeunt a malis discerni, i.e. 'States do then decay when their good members cannot be discerned from the evil.'"—Antisthen. apud Diog. Laert. lib. v.

#### Published according to order.

"The suppression of all usury, which some have projected as necessary thereunto, as it cannot stand with justice, some kinds thereof being most equal; so in civil policy it is no less impossible in regard of the public weal, because thereby the vital spirits of the body politic would be suffocated, at least so far obstructed from their most requisite course through its particular members as to endanger the whole into a lingering consumption, which will end, though at length, in an undoubted ruin. For, as a great statesman has left behind him, 'It is impossible to conceive the number of inconveniences that will ensue if

borrowing be cramped.'\* Therefore to speak of abolishing usury is idle: all estates have ever had it in one kind, or rule, or other;

so that opinion must be sent to Utopia.

"Neither can a state be safe whilst the current of usury is suffered to overflow, without any respect had to the different conditions of men therein: for the fear of an eminent and imminent danger working upon the distracted mind so mists the understanding of a man stormed with extreme need, as it easily misleads him into that mischievous mistake of a necessity of his borrowing on usury, even for prevention's sake; and, such is the covetonsness of many self-seeking lenders, as, in a case of present gain especially, they will make no distinction of persons coming to borrow. Thus some run headlong to their own undoing in borrowing, others help them forward by lending to them on usury, and both follow their depraved wills without contradiction from the public magistrate, by some penal notice taken of the mischiefs which accrue by such their unlawful doings. Hence it is that the malignity of this corroding humour is become so predominant as by some it is taken to be passed all cure.

"The work especially intended for this purpose is that those swelling streams of lending and borrowing may be reduced into their right channels.

"The most proper means probably conceived to produce this work is the casting up of a bank, which must be two-fold, accord-

ing to borrowers, who are of two sorts :-

"1. Some borrowers in their borrowing aim at no more than to stop the mouth of their present and greedy want, which extremely craves maintenance for themselves, their families, and estates. These men, finding little or no relief from the hand of charity, conceive their only refuge to be usury.\* \* \* Wherefore, that these indigent perish not, nor their tottering estates go to wreck on those merciless rocks, for their rescue may be collected mons pietatis sive charitatis, 'a bank of piety or charity,' as they of Trent fitly call it, that is, as Tolet well describes it, 'a certain sum of money,' or things estimable by mouey, which is laid up for the relief of the poor, either by one rich man or by many, either by a prince, or commonwealth, or some company.

"2. Other borrowers there are who by their borrowing intend only to get and gain in their several ways of trade and employ-

<sup>\*</sup> Lord Bacon, in his Essay on Usury.

ment. For their supply, as their occasions shall require, may be erected (mons negotiationis) a bank of trade, as it may not unfitly be styled, that is, such a sum of money as should always be ready and able, upon good security, to lend on usury to such as in their trading shall have occasion to borrow.

"The bank of trade is founded on equity. He therefore who shall oppose the making up hereof seems no less unjust than he uncharitable that resists the former. The equity of this bank is evident, from the justice which appears to be in requiring of gain for the use of money lent as merchandise.

"This kind of bank cannot be accounted a novelty, since it is known to such as have travelled either their own studies, or other men's countries, that foreign nations have been long acquainted with banks of this nature. That noted casuist Tolet informs us of two, which, though they differ somewhat in name from this bank desired, yet, in regard of the act of usury, they are one and the same with it; yea, and that learned man, though a professed enemy to all usury, allows them both.

"One he names Mons Fidei, a bank of trust, which Clement VII. instituted at Rome: in it seven were given for the use of a hundred per annum for ever; because he that puts his money into this bank was never to take it out again; so that the annual use-money of seven were to him, his executors, and assigns for ever, and might be bought and sold like as annuities are

with us.

"The other he styles Mons Recuperationis, a bank of recovery. This Pius IV. ordained: and herein twelve were given for the use of a hundred per annum, so long as he lived who put his money into the bank, and when he died his money remained to the bank, except he died within three years; besides, he that had this pension of twelve during his life might sell the same to another for his life, with this proviso, that the seller live forty days after the sale and alienation.

"To these many others may be brought in from the Hollanders and other nations, but brevity only presents the Chamber of London, whereinto men may put in their moneys: for the assurance whereof, and the payment of its use (which is five in the hundred per annum), they have the security of the Chamber,

which is accounted the best this day in England.

"Thus may the indifferent yet intelligent reader see how these banks are lawful.

"The means of their collection, like themselves, are divers

"I. The bank of charity may be raised,-

VOL, II.

314

"1. By the liberality and bounty of charitable and able persons. For mine own part, I am confident if this good work were once set on foot that many well-disposed people would readily bring materials, not only to lay a foundation for it, but also to rear the walls, and finish it to its usefulness, by furnishing it with their moneys, contributing their use until some occasion shall eall for them to be employed in some necessary way of their private and particular affairs; that little aequaintance I have with antiquity persuades me to this strong belief, for that gives us store of examples in this kind. We need not bring forth foreign acts, this land has yielded as charitable persons as any other in the world, and in as great plenty. It may for a taste suffice to add one or two. John Barnes, mereer, Mayor of London, 1371, in anno regni Edwardi, tertii 450, gave a chest with three locks, and a thousand marks, to be lent to young men upon sufficient pay, so that it passed not one hundred marks.\* The gift of Sir Thomas White, Mayor of London in Queen Mary's first year, 1553, was far greater, for he gave to the city of Bristol two thousand pounds of ready money, eight hundred pounds whereof was to be lent gratis to sixteen poor young men clothiers, &c. These may serve to hint the probability of this means.

"Thus may the bank of charity be raised,-

- "II. The way of collecting that of trade is otherwise, as the end thereof is different from that of the former bank.
- "Antonius relates how certain banks, wherein usury was paid to the creditors, were raised at Florence, Venice, and Genoa, saying, When the eity wants money it imposes a tax or scot upon the citizens, which scot has several names in every city where it is made; to the payment hereof whosoever was unwilling was compelled by the city, which yet allowed them five in the hundred per annum for use until it was repaid.' The taking of usury in this way has been much controverted among the pontificians, as appears by the archbishop's discourse thereof; yet he seems to allow it, as do also many other of the learned amongst them, as appears by the quotations of Bernardinus de Bustis in a defence thereof; yet I cannot see so much strength in their arguments as may force my weak judgment to join issue For to lend either to prince or state wherein we live for usury, when they are necessitated to borrow, does seem to me far more likely to be-

"1. Unnatural, as for the child to refuse to lend unto his parents in their need without some gain as a reward therefore.

"2. Uncharitable, in not taking a tender notice of their neces-

sity, which may be, and sometimes is, as great and pressing as

any private person's whatsoever.

themselves as for the public weal, wherein our own being and wellbeing are wrapped up, and become partakers of the benefit which redounds by their borrowing; so that to lend gratis to them is but to contribute willingly to our own good, and to lend them for increase is to be hired to do ourselves a good turn.

"4. Cruel; for that lending to them on usury when they borrow to supply their urgent need, in regard of the common good, does bite both prince and state so deep as to expose them to ruin by their impoverishment, as appears by the instance of the three banks at Venice cited by Bodinus out of Donatus.

"5. Moreover this bank of trade to be instituted is not only for the benefit of the commonwealth (in statu conjuncto) as one body, but also and principally for the good thereof (in statu separato), as consisting of many members, which do often want supply to enable them to officiate in their several vocations to

their own and others' profit.

"6. Lastly, therefore, the best and readiest way to make up this bank of trade in this land is for the honourable court of Parliament to make it a law that every person who does lend and put out his money on usury shall bring the same into this bank upon the penalty of the loss of the principal; and that none shall borrow on usury to gain thereby but of this bank, on some such forfeiture as their wisdom shall think most fit;

"III. The order of their institution, and manner of their government, deserves some more experienced understanding than my shallow capacity to regulate it; yet, that we may not seem wanting to our utmost ability in helping forward so good and necessary a work, what my simplicity reaches unto herein I shall not blush to signify, thereby at least so give some hints unto such as are more quicksighted in such affairs, and can inventis facile addere what they shall find to be much more material to the useful framing of these buildings.

"For the ordering of the bank of charity Tolet lays down

these laws or rules:-

"1. That the sums delivered to those needy borrowers be lent but for some short time—a year, or more or less, as their necessary occasions shall be found to require.

"2. That they be not suffered to exceed their time limited for repayment, that so there may be always sufficient to supply the

wants of others that shall fall into their ranks.

"3. That these poor and necessitated borrowers give some

pledge answerable to the sum they borrow, lest they become negligent (as it is their custom) in returning what they borrow, and so the bank in time comes thereby to be consumed.

"4. That if the money borrowed be not repaid at the time assigned the pledge to be sold, and what is due to the bank being reserved, the residue (if any be) to be returned to the owner thereof.

"5. That these borrowers do, for the time they enjoy the money lent them, return some small gain with the principal

towards the expenses of the officers of the bank.

- "Of these rules the four first I conceive may be allowed for good, though indeed the third may admit with the pledge any other security also, because every such borrower may not happily have a fitting pledge, and yet may otherwise be able to give sufficient security for the money he does want; but this security must also have some forfeiture annexed to it, which post moram (as the civilians speak) may be a means to save the bank, if by their delay and default any loss and detriment do betide it. This is no other than the usura punitoria, which is, on very good reason, allowed by all men.
- "Concerning the bank of trade all the former five rules may not only be observed, but also the latter of them, which requires gain from its debtors, may be so drawn up as to call for one in the hundred from the borrowers to gain in trading more than the bank shall pay to its creditors; and from the redundancy of that one will flow sufficient means to maintain the officers of both banks, yea, and to raise a common stock to the bank itself for the commodity of the whole state in general.

"To these rules must be added some others, as-

- "1. To keep these two banks distinct, and thereby clear from all abuse in perverting their proper course, it may please the lawmakers to inflict some heavy penalty on such as shall anyway, by their craft and subtlety, corrupt and disorder either of them; and indeed those who shall, under a pretence of feigned necessity, abuse the charity of the bank of piety (that of the two will be most subject unto abuse) are far worse than those counterfeit rogues who, to deceive good persons of their charity, use to implaster themselves, and make a halting before them, when they have neither soreness nor lameness about them; for these hypocritical borrowers do withall steal from the poor what is their due; bankrupts they are indeed, and worse than those the statute orders, who yet are not thereby ordered according to their deserts.
  - 2. To prevent corruption from creeping into the officers of

these banks, they must be enjoined to be accountable unto the honourable court of Parliament as to the great master of these banks, by whom, as they are to be settled, so must they be governed; for into that high and wise assembly partiality and indirect carriage of business cannot screw themselves, as they have done into the feoffees and governors of other charitable and pious foundations in this kingdom, whereby the true intent of their first founders is exceedingly hindered, and sometimes altogether overturned and brought to nothing: as Master John Barnes's chest (before spoken of) has stood in the Chamber of London empty a long time without money or pledges for it. The like might be instanced in many other like acts of charity, which has been no little discouragement to such worthy minds as have been willing to imitate these fair copies before them.

"3. To make these banks more useful in their several ways, there should be one in every county, and in that part thereof as shall be found most convenient for lenders and borrowers on all their occasions to have recourse unto, with little trouble of travel,

and less charge of expense.

"More rules I will not presume to mention, for if these do please those sage senators, in whose power it is to confirm what they find worthy of their approbation, they can, out of the depth of their wisdom, draw both more and better.

## K. L.—(Page 67.)

From the time of Benbrigge to 1694, a numerous succession of writers advocated the establishment of "Banks" in England. Paterson's plan was adopted in that year.

## M.-(Page 68.)

Mr. Michael Godfrey, Paterson's coadjutor in the foundation of the Bank of England, was killed in the trenches at the siege of Namur, having gone thither with supplies of money for King William. The founding of the Bank of England, as stated in the text, the more deserves attention from being the true source of all other accounts published on the subject; hitherto traced to Anderson's work on commerce. This statement would certainly be confirmed by the records of the Bank, the register of the Privy Council, and the MS. Journals of Parliament, never yet examined.

### N.—(Page 69.)

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The restoration of the coin after 1688 calls for a special and etailed statement. Materials exist for such statement; and ome important points still in dispute will give it value.

## O.—(Page 71.)

"The other" is evidently the speaker "Mr. May," or Paterson imself, whose return in 1701 is noticed in page 73.

## P.—(Page 73.)

This communication with King William is explained at large a page 74.

## Q.—(Page 77.)

During King William's last illness he sent a message to both couses of Parliament, recommending the union of both kingoms to them.

## S.—(Page 86.)

See Paterson's letter to Lord Godolphin, suprâ, pp. 74-80.

# T.—(Page 86.)

Dr. Sacheverel's sermon, the occasion of his impeachment, and of so much excitement on "the pretext of religion," was reached at St. Paul's on Nov. 9, 1709. Sacheverel's prosecution occasioned a riot, during which an attack upon the Bank was eared, but was prevented by the military.

### U.—(Page 190.)

The Clause in the Act of 1708 is-

"That during the continuance of the said Corporation of the Governor and Company of the Bank of England it shall not be lawful for any body politic or corporate whatsoever, created or to be created, other than the said Governor and Company, or for any other persons whatever, united or to be united in covenant or partnership, exceeding the number of six persons in England, to borrow, owe, or take up any sum or sums of money on their bills or notes payable on demand, or at a less term than six months from the borrowing thereof."

THE END.

#### LONDON:

PRINTED BY J. B. NICHOLS AND SONS, 25, Parliament street.

# INDEX:

[It is endeavoured by this Index to put into some order the *omissions* of a former unauthorized edition of the work. Many pages of that edition have also been *cancelled* at much expense, and, it is feared, at the hazard of much confusion.]

## I. II. III.—VOLUMES.

- I. Vol. Biographical Introduction paged in Roman Numerals IX—
  CXLIV.

  —— Body of the Volume, in Common Figures, 1—283.

  II. Vol. Notices paged in Roman Numerals, I—CI.

  —— Body of the Volume, 3—198.

  III. Vol. Preface I—52.

  —— Body of the Volume, 1—283.

  —— Appendix and Notes, 201—319.

  ACCOUNTS. Improvement in taking the Public Accounts introduced.
- ACCOUNTS—Improvement in taking the Public Accounts introduced by the Commonwealth, suppressed at the Restoration, and not revived at the Revolution. Vol. ii. 74.
- ADDISON-Vol. iii. pref. 19.
- ADMINISTRATIVE REFORM, to be promoted by Paterson's Case, 1, exliv.; iii. pref. 10.
- AISLABIE, Chancellor of the Exchequer, ruined for his part in the South Sea Bubble. 1, cxliv.

AMERICA, CENTRAL—Plan of Attacking in 1701, i. 109; iii, pref. 38.

ANDERSON-on Paterson, ii. lxxxb.

ANGRY MEN never fit for Business, and least of all in Angry Times. i. 102.

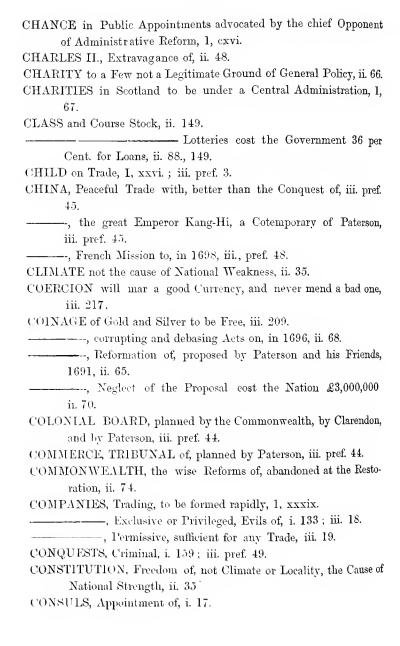
ANNE, QUEEN-Paterson's Memorial to, iii. pref. 25.

ANONYMOUS-Writings of Paterson, always, 1, x.

BAHAMAS—Paterson connected with, 1, xxii.
BAILLIE, of Jerviswood, Paterson's Friend, iii. pref. 51.
BANKS in England, proposed in 1646, by John Benbrigge of Sussex
iii. app. 311.
, in 1660, by the Council of Trade
1, xxxi.
BANK of England proposed by Paterson in 1691, ii. 65.
founded ——— in 1694, iii. pref. 2.
described, ii. 65.
Account of intended, 1694, iii. pref. 2, 3.
Merit of Queen Mary in the foundation of, ii. 67
Capital of £1,200,000 subscribed for in nine days
ii. 67; iii. pref. 30.
and paid in ten weeks
ii. 67.
saved the Nation at a Crisis, ii. 68.
Monopoly of, objected to by Paterson, ii. 189.
Representation by, to the Government, against
high interest on Loans, ii. 185.
a Whig Bank, l, xli.
Land—or Tory fails, iii. pref. 31.
of Scotland, founded by John Holland, an Englishman, not
by Paterson, iii. 24.
Royal of Scotland, 1, xxxvii.; iii. 203.
BANKRUPTCY, Wilful, to be punished by Law criminally, i. 16, 85.
BANNATYNE Club on Darien and Paterson, 1, lvii.
BARROW, Sir John, unaware of a French Mission to China in 1698,
iii. pref. 49.

BEGGING to be punishable, i. 16, and 85. BERKELEY'S, BISHOP, Queries, iii. pref. 3. BILLS Transferable without an Action, Paterson's Merit in Advocating, iii. pref. 16. BLACKWOOD, SIR ROBERT, Paterson's Friend, iii. pref. 52. ————, his Report on Paterson, i. l. BLUNT, SIR JOHN, and the South Sea Bubble, 1, cxliv. BODLEIAN Library, iii. 107 and app. 297. BOSTON, in New England, Paterson connected with, 1, xxi. BOYER'S Political State, 1, xxx. xcv. ciii. exiv. exxiii.; i. 5. BRANDENBURG, Elector of, the Darien Colony proposed to the, 1, xxvi. ——, grant to Paterson by, iii. pref. 35. BRIBERY and Cheating to be made punishable by the Criminal Law, i. 16, 85. BRIDGES, Brook, 1, v. ——, Name of Paterson's first Wife, iii. 243. BRODERICK Family—Friends of Paterson, iii. pref. 51. BRUCE, JOHN, unacquainted with Paterson's Writings when he made his Official Report on the Union, i. BRUNSKILL PERCEVAL'S Case, iii. 287. BUCCANEERS, Paterson acquainted not connected with, 1, xxiii. BUCCLEUCH MSS., 1, xliii. BURNET, BISHOP, on Paterson, iii. app. 244. CAFFRE WARS caused by the Ignorance of Parliament and of Ministers, iii. pref. 44. CALEDONIA, NEW, Founded, 1, lvi. \_\_\_\_\_, iii. 270. CARSTARES, WILLIAM, iii. 266. CHALMERS, GEORGE, MSS., 1, cxxxi.; iii. 246. \_\_\_\_\_, Mr., Assistant Keeper of the Advocates' Library, iii. 105. CHAMBERLEN, Dr.—His Plans for Paper Money successfully

opposed by Paterson, l, xxx.; iii. pref. 16. CHAMBERS', Mr., Account of Paterson, iii. app. 255.



COUNCIL OF TRADE for Scotland, planned by Paterson, 1, xeii.
, advocated for England by Paterson in
1709, 1, xxvii.
, Reform of,,
1709, ii. 79.
CRAGGS, Father and Son, Victims of their part in the South Sea
Bubble, 1, cxliv.
CREDIT not founded on Coin will be Dangerous, at least until some
other Basis of it be found, iii. 84.
, Public, England will always be good with good faith, ii. 181.
CREDITORS, Public, Classes of, ii. 157.
CROMWELL countenanced Jews, 1, xxxi.
's United Parliament, i. 191.
CROOKSHANK'S Vindication of Paterson, ii. 7.
CROSSLEY, JAMES, President of the Chetham Society, Eulogy on
Paterson, iii. pref. 5.
CUSTOMS, Reform of, i. 99.
DALRYMPLE, SIR JOHN, Eulogy on Paterson, iii. pref. 17.
DAMPIER approves of Darien for a Colony, 1, xlv.; iii. app. 258.
DARANDA, PAUL, Paterson's Friend and Executor 1, cxl.; 2,
lxxv.; iii. pref. 51.
DARIEN COLONY, first planned by Paterson, before 1785.
1, xxv.—Founded 1698, 1, lvi.
, English View of, in 1698, iii. app. 257.
, Lords Justices' Report on, iii. app. 259.
approved by all King William's Ministers, 1, xl.
Company, no History of it written, iii. 101.
Colony sanctioned by King William, iii. 282.
dissolved at the Union, iii. 102.
Company's Title to Indemnity, i. 226.
condemned, 1, lvii.
DAVENANT, iii. pref. 40.
DAVERS, SIR ROBERT, M.P., Paterson's Friend, 1, xxvii.
iii. pref. 51.
t

DAVIS, SIR J. F., unaware, in 1817, of the successful French Mis-

DEATH to be commuted to Penitentary Imprisonment in all but a

sion of 1698, to China, iii. pref. 9.

few Cases, i. 16, 86.
, proposed by Thomas Sheridan, in 1677 to be abolished in all
Cases, ii. 64.
DEBTORS, honest, not to be imprisoned, i. 86.
DEFOE'S Eulogy on Paterson, iii. 100.
DIFFICULTIES strengthen Character, 1, cxxxviii.
DISCOVERY of Lost History, 1, cxxxii.
DISTRESS, Public, in 1696, ii. 68.
DOUGLAS' Opposition to Paterson, 1, xlviii.
DUMFRIESHIRE, Paterson born there, 1, ix.
, Paterson, M.P., for, at the Union, 1, cix.
DUNLOP, Principal, Friend of Paterson, iii. pref. 51.
, and Sir R. Blackwood's Report in Favour of Paterson, i.l.
DUPRE, JAMES, Cotemporary of Paterson, ii. lxxxa. MS. from
the British Museum, iii. pref. 52.
————, Letter to Paterson, iii. 1.
————, preserved the Portrait of Paterson, iii. 103.
EAST INDIA COMPANY-The only Monopoly in England in
1706; and that but for 7 years more, iii. 19.
"ECONOMIST" Eulogy on Paterson—Title Page.
EDINBURGH ARCHIVES, iii. 105.
Poor, 1.
ENGLAND, Property sacred in, iii.
ENGLISH MINISTERS approved of the Darien Colony, 1, xlv.
ENGLISH ARMIES always unprepared at the Beginning of our
Wars.
EQUIVALENT provided by the Treaty of Union to Indemnify
Scotland and the Darien Company, ill administered by the
Ministers of Queen Anne, 1, exxiv. exxvii.
EULOGIES OF PATERSON, by Principal Dunlop, and Sir R.
Rlackwood 1 lii

---, by J. Stewart, 1700, i. 2.

EULOGIES OF PATERSON, by the Duke of Queensberry, 1700, 1, xcii.
land, 1708, 1, ex.
, by Boyer, 1711, 1, xxx. cxiv, by Sir John Dalrymple, 1778, iii.
pref17.
, by Allardyce, 1798, iii. pref. 1, by Mr. Crossley, iii. pref. 5.
EXCHEQUER, Court of, in Scotland, iii. pref. 29.
, adjudges Paterson £18,241,
10s. $10\frac{1}{2}$ d., 1, ex. and iii. app. 238.
EXCHEQUER BILLS at 2s. per Cent. per Day, i. 125, 185.
EXCISE AND CUSTOMS, Reform of, i. 99.
EXPORT DUTIES to be reduced to 1 per Cent. for Entry, i. 19.
EXTREMES IN POLICY, Evils of; 1641 produced 1661, and 1661
produced 1688, i. 102.
FACTIONS, Parties changed into, ii. 45.
——————————————————————————————————————
FAULT-FINDERS ought to propose Amendments, ii. 22.
FISHERIES, Duties on Foreign, i. 17.
, Monopoly in, bad, i. 48.
————, Scottish, advocated, i. 39.
FLAMSTEAD, a Cotemporary of Paterson, singular Recovery of his
MSS., 1, exxxii.
FLETCHER, of Saltoun, a Friend of Paterson, 2, lxxix.
FORBONNAIS, M. DE, on Projectors, iii. pref. 20, 40.
FORTUNE falsely represented as the True Arbiter of Public
Employments, 1, cxvi.; iii. app. 289.
Shakspeare on, 1, cxvi.
FOULIS' of Glasgow, mistake Law as the Author of Paterson's Pro-
posal of a Council of Trade, iii. pref. 3.
FREE TRADE, means of securing, developed by Paterson in 1701,
i. 153.
, Power and Grandeur of, 1, lx.; iii. 278.

FRANCIS, MR., Account of Paterson, iii. 255.
FREEPORT, Sir Andrew, Query if not drawn after Paterson, I
iii. app. 237.
FRENCH ECONOMISTS confound Law and Paterson, iii. 76.
FURLEY'S MSS. CORRESPONDENCE with Locke, I, xli.
, ,
CIPID III 1 C.O.
GEE on Trade, iii. pref. 3.
GEORGE I. protects Paterson in Hanover and in England, I, vi.
iii. pref. 10.
Paterson's Memorial to, 1, xii. exix.; iii. pref. 35.
, administered the Finances of Hanover wisely; and Pater
son familiar with Hanover, 1, cxviii.
GODFREY, Paterson's Friend, 1, xxx.; ii. 71.
GODOLPHIN, LORD TREASURER, friendly to Paterson, 1,
xi. xcv. ; iii. pref. 24.
, Paterson's Letters and Proposals to, 1709, ii. 79;
iii. 2.
, mismanagement of, ii. 82; 2, xla.
GOLD AND SILVER, Uses of, in Exchange, i. 93.
Free Export of, advocated, i. 95.
Coin, Debasing, i. 93; iii. 201.
, accepted Standards of Value, iii.
GOOD LUCK Opposed illegally and immorally, to merit, 1, exvi.
iii. app. 289.
GOULD, ALDERMAN, first proposed a Sinking Fund, 1726, 1, lxxi.
2, Ixviii.
GOVERNMENT, Bad, the Cause of Revolution, ii. 46.
GRANARIES, Public, advocated, i. 34.
GRENVILLE, LORD, on the Sinking Fund, iii. pref. 40.
HAMILTON, DR., unacquainted with Paterson's Writings on the
National Debt, 1, exxix.

HAMBURGH, Conduct of the English Consul at, against the Darien

Company, iii. 261.
----, Paterson in, i. 6.

HARLEY, EARL of Oxford, neglects Paterson, although adopting
his Ideas, 1., xi.
HEATHCOATE, SIR WILLIAM, 1, lxxvii.
HISTORICAL Materials abundant in England, 1, cxxxi.
HODGES, the hired Libeller, iii. 268.
HOLLAND, JOHN, Founder of the Bank of Scotland, iii. 79.
———, Good Policy and Mistakes of, i. 50, 58, and 65.
HOSKYNS, SIR JOHN, Colonial Constitution of, iii. pref. 16.
HOUBLON, SIR JOHN, iii. 237.
HUTCHESON, ARCHIBALD, M.P., i. 7; 2, lxx.
HYNDFORD, COUNTESS of, Extraordinary Speculation in the South
Sea Bubble, 2, lxi.
Soli Danie, a, ini
IMPEACHMENT of Paterson and others, 1695, 1, xlv.
, abandoned, l, xlvii.
IMPORT DUTIES to be low, i. 20.
INDEMNITY, PATERSON'S, provided by a Special Act of Parlia-
ment in 1708; and paid under another Act in 1715, 1, cix. cxvi.
INDIA AND CHINA, Peaceful Trade with, better than Conquest,
iii. pref. 45.
INDIAN and African Company, Scottish, Indemnity of, proposed,
i. 13; ii. 226.
planned by Paterson, 1695, 1, xlvii.
unexpectedly opposed, i. 71.
,
iii. 101.
, its Title to an Indemnity, i. 76.
, Moderation under its Injuries,
counselled by Paterson, i. 101.
INSURANCE of Ships in War advocated, i. 93.
INTEREST of Money to be Free, i. 66.
, Rule for, i. 100.
lowered after the Revolution, i. 162.
, when low, an infallible Sign of Plenty of Money, iii. app.
201.
INTERLOPERS, 1, xxxvii.

INVENTORS to be occasionally privileged, i. 62.

IRELAND, LEGISLATIVE UNION, with, proposed to Charles II. i. 170, and by Paterson.

ISLANDERS not naturally prone to Change, i. 33.

ISLAY, EARL OF, his Edition of Law's "Money and Trade," 1, xeii.; 3, exxviii.

JAMAICA, Paterson in, 1, lviii.

JAMES, II., The Darieu Colony proposed to, 1, xxvi.

JEWS encouraged by Cromwell, 1, xxxi.

JEWISH HISTORY, Illustrations from, i. 30.

- KEMPENFELDT, COL., the Prototype of the "Spectator's" Captain Sentry, Paterson's Neighbour in Westminster, 1, lxxx.
- LAING, MR. DAVID, Opinion on the Real Author of the "Proposals for a Council of Trade," iii. pref. 3.
- LAING, MALCOLM, the Historian, Opinion on the Darien Colony, 1, xlvi.
- LAUDER, SIR JOHN, MSS., iii. pref. 4.
- LAURIE, REV. JOHN, of Tinwald, Testimony on Paterson, 1, xx.
- LAW, JOHN, of Lauriston, Anachronism, on, in the Merchant Prince of Eliot Warburton, 1, xxiv.

 , his	Overtures	for a P	aper Circ	culation i	n Sootland
rejected by I	Paterson's I	ufluence i	n 1705,	2, xliii.	
 ——, Ess	ny on Mon	ey and Tra	de, iii. pr	ef. 3.	
 , not	the Auth	or of the	"Propo	sals of a	a Council of
Trade,'' 1,					
- hia	Amto 1 ord				

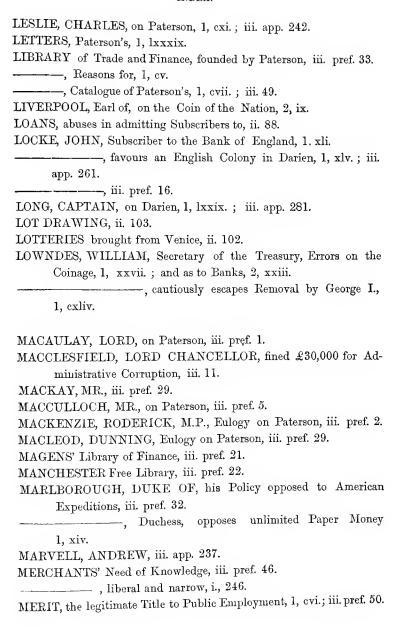
, protected by the Argyle Family, 1, xlii.

, harshly treated by Queen Anne's Ministers, 1, xlii.
, his Writings mistaken by Mons. Thiers, iii.

LAWSON, MR., Eulogy on Paterson, iff. 29.

, Mistake as to the Wednesday Club Dialogues of 1695, ii. 5.

LEIBNITZ, 1, exviii.



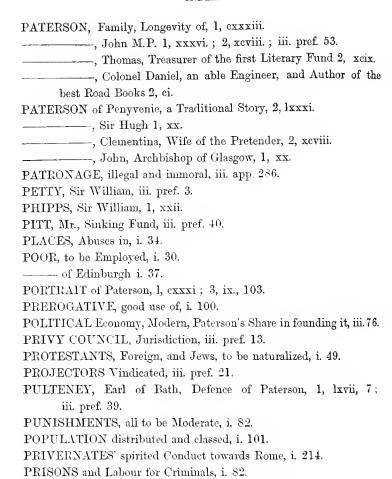
MINES not to be royal, i. 19.
to work, requires Public Management, i. 60.
MINISTERS, incapacity of, from 1691—1696, ii. 66.
MISSISIPPI BUBBLE, Paterson's Principle opposed to, iii. app. 29.
MODERATION, wise, i. 127.
MONEY universally valued, i. 75.
, or credit, without intrinsic value, is false, iii. app. 201.
, or credit, wanted by all, in Public and Private Life, iii. 43. MOON, CAPTAIN, known to Paterson in Jamaica, 1, lviii.
MONTAGUE, CHARLES, Earl of Halifax, MS., ii. 1.
app. 238.
MONOPOLIES, Evils of, displayed by Paterson, i. 45; iii. 18.
in Banking objected to, ii. 119.
only one in England in 1706, iii. 19.
MORELLET, ABBE, on peaceful trading with China, iii. pref. 45.
MORGAN, SIR HENRY, 1, xxiii.; iii. app. 249.
MOUNSEY FAMILY, connected with Paterson, 1, exiii.
MSS. referred to, 1, xliii., &c. &c.
NAMUR taken through the Supply of Capital from the Bank o
England, i. 68.
NATIONAL DEBT, advantage of paying off, ii. 178.
unequally provided for, ii. 131.
growth of, by Mismanagement of the Finances
ii. 50.
State of in 1716, ii. 97.
Paterson on, 1701, iii. app. 257; and 1717, l
exxiii., ii, 55.
Papal, ii. 53.
Table of Calculations for the Redemption of, in
various forms :—ii. 92, 94, 96, 98, 114, 116, 117, 118, 119
120, 122, 146, 147, 174, 176, 177.
NAVY, Royal, Paterson proposes Improvements in, i. 160.
NORTH, The Honorable Dudley, 2, iii.

NOTES AND QUERIES, on Paterson, iii. pref. 8.

OATHS, Customs, wrong, i. 98, 103.
OFFICIAL Resistance to Wise Measures, ii. 64. ORLICH, VON, iii. app. 246.
ORPHAN Fund Act, 1, xxxv.
Bank, 1, xxxiii.
OVERSTONE LORD, Tracts on Finance, iii. pref. 41.
PAPER Money Inconvertible, Paterson's Services in resisting, iii pref. 16.
PAPILLON, THOMAS, a Merchant, and Member of the Board of Trade, I, xxxv.
PAPIN, DENYS, a Cotemporary of Paterson; Remarkable Recovery
of his Writings by M. De la Saussaye, I, cxxxii.
PARALLEL Passages in Paterson's Writings, 1, cxxxvi.
PARLIAMENT, English, impeaches Paterson, i. xlv.
Scottish, Account of Trade, iii. app. 263.
recommend Paterson to Queen Anne, 1,
exiv.
PARTY, Modern, ii. 48, 72.
PARTIES, Natural and Corrupt, ii 49.
PARTITION Treaties, iii. pref. 31.
PATERSON, William, of Dumfrieshire, I, xx.
's Birth, 1, xix.; iii. 242.
's Education, I, xxi.
''s Escape from Persecution, I, xxi.
''s Residence in Bristol, 1. xxi.
entered of the Merchant Taylors' Company, I, xxvi.
of the Livery ditto.
's Residence in St. Giles, London, i. xxvi.
in the West Indies, 1, xxi.
in the Bahamas, 1, xxii.
in Jamaica, 1, lviii.
Reputation in, I, xxiii. liii.
a Merchant, 1. ix. xxvi. xxxi.

	founds the Hampstead Water Works Company, 1, xxvi.
	in Prussia, 1, xxvi.
	in Holland, 1, xxvi.
	in Hamburg, iii.
	proposes a Loan to Parliament, 1692, 1, xiii. xxviii.
	to reform the Coinage, 1691, ii. 65; 1696,
iii. <b>2</b> 0	01.
	— was a Water-drinker, 1, cx.
	- founds the Bank of England, 1, xxxi.
	- a Director of the Bank of England, 1, xxxii.
	- plans the Orphan Fund Bank, 1, xxxii.
	- Public Confidence in, 1, xv. xxxv. xli.
	his Capital, 1, xxxii. xxxv.
	- founds the Darien Company, 1, xxxix.
	- impeached by the House of Commons, 1, xlv.
	- defrauded by Smith, 1, xlviii.
	- sails for Darien, 1698, 1, lvi.
	- Account of the Indians, 1, lxv.
	- courageous Conduct, 1, lvi.
	returns to Scotland, 1699, 1, lvi.
-	- admirable Conduct in Scotland, 1, lxxxviii.
	- Report on the Expedition to Darien, 1, lvii.
	— his Plan for a Second Expedition to Darien, 1, xciv.
$\operatorname{Adm}$	iral Benbow sent upon it, and the Earl of Peterborough
appo	inted to it, iii. app. 284.
	his Plan to Audit the Public Accounts, 1, xevii. and his
" Eng	gland's Grand Concern," iii. 253.
	-, his first Plan to pay off the National Debt in 1701,
1, ci.	; iii. app. 297.
	-, his Proposals for a Council of Trade, or Plan for
	Social Improvement of Scotland, 1, x.
	proposes the Union, 1701, 1, c.
	- offers his Library for the use of Merchants, 1703, 1, cv.
	-, Catalogue of his Library, iii. 49.
	<ul> <li>opposes Law's Scheme for Inconvertible Paper Money</li> </ul>
in Sc	otland, 1705, 2, xli.

PATERSON urges Financial Reform upon Queen Anne's Ministers,
1702, ii. 74.
publishes his Dialogues on the Union, 1706, i. 161.
writes Five Letters (now first published) on the
Union, iii. I, 4.
employed in settling the Public Accounts in England
and in Scotland, upon the Treaty for the Union, iii. 3.
, his Estate, iii. app. 239.
, his Views on Eastern Trade, or Trade against War
i. 159, iii. pref. 44.
———, his Indemnity of £18,241 10s. $10\frac{1}{2}$ d. passed, by Act
of Parliament, 1715, iii. app. 238.
, his Dialogue on the Results of the Union, and on
the Redemption of the National Debt, 1717, ii. 1.
, his Signatures, I, xxx.
, his Will and Death, 1, cxl.
, his Burial-place unknown, 1, cxli.
, his Letters, 1, lxxxix.
his Writings always anonymous, 1, x.
, the chief Founder of Political Economy in Europe,
iii. 73.
his great Merit as a <i>Philosophical Historian</i> in his "Deductions" upon the History of the Union from before the
Reign of James I. to Queen Anne, i. 186.
, his Deductions from the Statutes of Scotland, against
Monopoly in the Fisheries, i. 40, 244, 7.
of Laws upon the Characters of Men, ii. 33. and his Deductions
from the History of the Jews, and of Continental States; from
that the Abuses of Taxation, and for the Redemption of
National Debts, ii. 36.
, his Character, 1, xvi.
, his Moderation, 1, xxi.
, his Portrait, iii. 103.
, his Proposals for a Council of Trade, I, xciii.



QUEENSBERRY Duke of, a Friend to Paterson, 1, xcii.; iii. pref. 51.

RANCOUR, Political, an evil Counsellor, i. 101.

REBELLION of 1715 must have been worse without the Union of 1706, ii. 25.

REDEMPTION of National Debt opposed by Public Creditors, ii. 54. RECORDS, Public, Free Access to, iii. pref. 15. REFORM destroys Party, ii. 72. REYNOLDS'S, SIR JOSHUA, Portrait of John Paterson, iii. pref. 52. ROME, Illustration from the Government of Ancient, i. 214. -, Papal, Finance of, ii. 38. RYSWICK, Treaty of, 1, xliii.; iii. pref. 31. SAINT GILES' IN THE FIELDS, Paterson residing there before 1694, 1, xxvi. SAY, J. BAPTISTE, Opinions of, on the Origin of Modern Political Economy, iii. 76. SCHEMES of Calculation to Redeem the National Debt, ii. 92—177. SCOTLAND, Genius of, for Trade, 1, xxxix.; iii. 263. ———-, Seamanship of, 1, xlvi. SHAKESPEARE on Merit as a Title to Public Employment, iii. pref. 12. .—., Denouncement of Fortune as the Test of Merit, 1, exvi. SHARP, CAPTAIN, 1, xxiii. SHERIDAN, THOMAS, his Tract of 1677 on Social Progress, 2, lxii. SHIELDS, REV. ALEXANDER, 1, xei. SIBBALD'S, SIR R., MSS., iii. pref. 4. SIMPSON, the Rev. Mr., "Gleanings on the Mountains," 1, exxxiii. SLAVERY a false Way to make Men industrious, i. 89. SOMERS, LORD, urged King William to establish Trade in Spanish America, iii. , his Method to secure Intelligence from beyond Sea, iii. pref. 47. SOURCES of this Work, 1, exxxi.; iii. 105. SOUTH SEA BUBBLE, 1719, 1, xiv.; iii. pref. 20. \_\_\_\_, foreseen by Paterson, 1, exlii. \_\_\_\_\_ Company, founded, 1711, iii. pref. 28.

supported by Paterson, iii. app. 291.

SPAIN may Revive, i. 136.
, Impolicy of, i. 60.
, Religious Feeling in, undervalued by King William, 1, xliii.
STATUTES:—
12 Ric. 2 c. 2. Ordering the Appointment of the Best
Men to Public Offices, and none for Favour, or
Brocage, iii. 286.
6 Ann. c. 24. Providing Funds for the Equivalent to
Scotland stipulated by the Treaty of Union, and
authorizing the Court of Exchequer in Scot-
land to receive Proof of Paterson's Claims, 1, cix.
1 Geo. c. 9. Giving Paterson £18,241 upon his Claims,
ii. 239.
3 Geo. c. 20. Amendment of the Act for the Equiva-
lent, i. cxxv.
21 Geo. III. c. 65 Against Conquests in India.
Scottish, analyzed, i. 41.
STANHOPE, EARL OF, deluded by John Law, 1, cxliii.
STEPHEN, Under Secretary of State, opposes Administrative Reform
upon immoral grounds, and in ignorance of the Law, 1, cxvi.;
iii. app. <b>2</b> 89.
STEWART, J., Eulogy on Paterson, i. 2.
———, Professor Dugald, unacquainted with Paterson's Writings,
i. 4; iii. pref. 3.
STOCK EXCHANGE, Members of, burn Paterson's Book on the
Reduction of the National Debt, i. 7.
, Sentiments on, ii. 132.
TALLIES, reckoning by, ii. 129.
TAXES, proper Object of, i. 32.
Equal, Advantage of, i. 34.
——————————————————————————————————————
on Corn for Public Granaries, i. 34.

—— new proposed, ii. 129.

TAXES affecting Trade and Navigation, i. 165.
—— in France, i. 168.
heavy in England, ii. 166, 194.
Ruin from, ii. 131.
, the common Cause of popular Discontent, ii. 44.
THIERS, MONS., Mistakes as to John Law, iii. 16.
TIME-BARGAINS in the funds condemned, ii. 145.
TRADE, Council of, for Scotland, Paterson's Plan of, i. 7.
Members to be paid, i. 19.
Quality of, i. 8, 29.
Disqualification of, i. 9, 30.
Fund for, i. 9, 30.
Appropriation of, i. 11.
, Appropriation of, i. 11.
——————————————————————————————————————
TRADE, Council of proposed by Thomas Sheridan, 1677, 2, lxiii.
Paterson, 1690, iii. app. 246.
, Proposals of, attributed to John
Law by error, i. 4.
proved to be by Paterson, i. 2.
TRADE to be Free, i. 17, 97. See Free Trade.
Jealousies in, narrow and mischievous, i. 242, 246.
Knowledge of, indispensable to Merchants, i. 247.
Scotland needs foreign, i. 77.
TRADERS individually opposed to General Interests, i. 240.
TRADITIONS upon Paterson, 1, xx. xxii.
TREASURY MINUTES, iii. pref. 31.
, Error as to Coin, i. 69.
unacquainted with Finance from 1691—1696, i. 27.
TREASURY Papers, 1, cxxi.
TROUBLES strengthen the Character of Individuals and of Nations,
I, cxxxvi.
TREATY of Ryswick, 1, xliii.
Partition, I, xliii.

UNION LEGISLATIVE with Ireland and the whole Empire, advo.
cated, as enforced by Cromwell, i. 200, 204, 247; iii. pref. 41.
UNION, LEGISLATIVE, of Scotland with England, proposed by
Paterson, to King William, 1701, 1, xcviii.
Paterson's System of, 1706, i. 161.
Federal System of, objected to, iii. 9.
Paterson's MSS. Letters in 1706, iii. 4.
Dialogues in 1706, i. 163.
proposed by Paterson, iii. 25.
Paterson employed in the Treaty for, 1, cviii.
bad Scheme for, i. 170.
once popular, i. 181.
Failure of Negotiation for, i. 189.
Evils for Want of, i.; 207.
opposed by Faction, i. 27.
• <b>FF</b> • • • • • • • • • • • • • • • • • •
WAFER, 1, xlv. lxxvi.; iii. app. 259.
WALES, Union with England, Results of, iii. 12.
WALPOLE, Sir Robert, 1, xi. lxvii.; iii. pref. 39.
WARBURTON ELIOT, 1, xxiv.
WEIGHTS and Measures to be equalized, i. 17, 94.
WEDNESDAY Club Dialogues, 1695, apocryphal, ii. 5.
1706, i. 161.
WOOL, prohibition of exporting, i. 63.
, Franceson or outposterne, a.

their people and trade, and, consequently, enrich their country; whereas, these tell us such privileges would carry away the people, trade, and wealth from Scotland; so that, if it be duly considered, nothing in the world can be a greater argument for the Union to this kingdom, than the present practice, sense, and disposition of Ireland. I am, &c.

Edinburgh, 7th September, 1706.

#### SECOND LETTER.

Sir,—By yours of the 14th, you acknowledge the receipt of mine of the 7th instant; and thereby recommend to my perusal another book, which I have accordingly considered with more care and diligence than I doubt the author hath himself, though it be entitled "Considerations upon the Union of the Two Kingdoms."\*

And after having compared his instances and positions with one another, I cannot forbear being of opinion, that whatsoever the author may say,—yet the book does not want an answer, since

it sufficiently answers itself.

Wherefore to this book of ninety-three pages, I only send you

the following queries:—

1. What reference can you find the philosophical notions of Sir Francis Bacon, Sir Thomas Craig, and some other authors he mentions, to have to our present case?

2. What can be mean by his *Roman* instances of naturalization, unless he at the same time supposes the kingdom of Scotland to have the same sort of subjection unto, and dependance on England, as the Roman territories or provinces had to that Government?

- 3. Whether you think he brings us the instances of the confederacies of Sweden with *Denmark*; of Spain with Portugal; and such like, in order to recommend them, together with their fatal successes to Britain?
- 4. Whether any one thinks we are so in love with German and Polish Diets, as to introduce them, and their effects among us?
- 5. What can you think he means by all the angry and provoking instances in this Union book of his?
- 6. Why he speaks of abolishing parliaments or constitutions, since there is nothing of this said or implied by the treaty?
- 7. Why, since he says he is for the Union, he speaks all along of the kingdoms, after they shall be united, as if still two?
- 8. Why, and against whom is it, that he proposes a guarantee for the Union?
- 9. What guarantee does he propose against the mischiefs which may, or rather must, happen from the governments of the

<sup>\*</sup> Probably by Ridpath. 1706. 8vo.

two nations, continuing as they are, or their being still more divided?

10. Why he gives us his loose conjectures what this nation hath lost by the union of the two Crowns, without any account of what it hath gained, or saved in that condition; or probably might have lost by wars, devastations, and otherwise, had the kingdoms been divided during the last hundred years, as they were for more than one thousand years before?

11. Why he doth not give us some apt instance of subject of quarrel between the two kingdoms after being united, than that of herring and white fishing of Scotland, and the pilchard

fishing in Cornwall?

12. Whether he be of opinion that those who write and speak against the Union, have the sole privilege of writing, speaking,

and doing all the angry things? And

13. Whether his scheme (if any he has) be not directly contrary to the happy union prophesied of, between Judah and the other tribes? Ezek. xxxvii. v. 15: "The word of the Lord "came again unto me, saying,

"16. Moreover, thou son of man, take thee one stick, and write "upon it, For Judah, and for the children of Israel his companions: then take another stick, and write upon it, For Joseph,
the stick of Ephraim, and for all the house of Israel his com-

"panions:
"17. And join them one to another into one stick; and they

"shall become one in thine hand.

"18. And when the children of thy people shall speak unto "thee, saying, Wilt thou not show us what thou meanest by "these?

"19. Say unto them, Thus saith the Lord God; Behold, I will "take the stick of Joseph, which is in the hand of Ephraim, and "the tribes of Israel his fellows, and will put them with him, even "with the stick of Judah, and make them one stick, and they "shall be one in mine hand.

"20. And the sticks whereon thou writest shall be in thine

"hand before their eyes.

"21. And say unto them, Thus saith the Lord God; Behold, I "will take the children of Israel from among the heathen, "whither they be gone, and will gather them on every side, and bring them into their own land:

"22. And I will make them one nation in the land upon the "mountains of Israel; and one king shall be king to them all: "and they shall be no more two nations, neither shall they be

"divided into two kingdoms any more at all."

This text comes so fully up to our case as to need no comment,