

THE ECONOMIC IDEAS OF DANIEL DEFOE

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of Doctor of Philosophy

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by

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I wish to acknowledge my debt to my tutor,
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ABSTRACT OF LEEDS Ph.D. THESIS

"THE ECONOMIC IDEAS OF DANIEL DEFOE"

Although his opponents regularly branded him as an unprincipled hireling who spun out his words in order to earn the largest possible income from his pen, it is suggested that there is an underlying consistency in his extensive writings on English trade and that his strenuous advocacy of certain causes such as the Union with Scotland reflects the strength of these convictions.

In order to examine this question and to make a full appraisal of his ideas, these have been studied in the fourteen broad divisions into which they seemed to fall and the development of his economic thinking has been traced from his first pronouncements in the 'Review' or in his earliest pamphlets to his more general statements during the last decade of his career.

While it is recognized that his opinions were rarely original, it is maintained that because he was such a unique example of the common man he is an invaluable yardstick of conservative economic views amongst that lower middle class audience of tradesmen and shopkeepers to which he largely appealed.

Frequent comparison has been made with other pamphleteers of the pre-industrial age such as Cary, Child, Davenant and Wood in order to show this general climate of opinion but this also reveals those directions in which Defoe anticipated future thinking in his support for high wages, the extension

of banking and other credit facilities and the development of new markets by colonization and by raising the general level of demand amongst the mass of the population. Despite the apparent harshness of his criticisms of the able-bodied poor, he was even more forward-looking in his attacks on certain social evils of his day.

It is not claimed that he made a significant contribution to the development of economic thought but that his chief importance was in the range and vigour of a born journalist's continuous comment on economic affairs during the first thirty years of the eighteenth century.

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INTRODUCTION

Apart from a pioneer essay by Professor J. R. Moore (1) and an excellent survey by another American scholar, M. E. Novak, (2) there has not been any assessment of Defoe's economic ideas. His huge literary output of over 500 miscellaneous works and contributions to 27 newspapers (3) has been used as a quarry from which biographers, literary critics and historians have selected their various pieces of material. Few works on the economic history of the early eighteenth century fail to use at least one reference to Defoe's writings, but these are usually vivid phrases, interesting observations or descriptions of trade and industry taken at their face value and often out of context. Lengthier comment has been the work of critics seeking to illuminate his fiction rather than of historians trying to evaluate the significance of his varied discussion of the economic issues of pre-industrial Britain.

This thesis attempts that comprehensive study of his economic ideas which has been lacking. It is always difficult to isolate completely one field of historical study and it has been necessary to make detailed reference to his involvement in the bitter political rivalry of the time where this may have coloured the views which he was expressing at a particular juncture. Two such controversies were those provoked by the credit crisis of 1710 - 1711 and by the proposed commercial treaty with France in 1713. Although he was solely responsible for the published advocacy of the Tory government case in the second dispute, and very largely in the first, the argument which he presented has never been carefully examined. On the other hand, because I

summarized his general social outlook in my 1961 Leeds M.A. thesis, "The Political Ideas of Daniel Defoe," (4) this has only received mention here where it is inextricably bound up with his economic principles.

I have tried to assess his economic thought against the background of his own time by regular comparison with the many other pamphleteers who were active from the years immediately before his birth, in the year of the Restoration, until shortly after his death, midway during Walpole's ascendancy, in 1731. Like other students of this period, while I have tried to use the term 'mercantilism' as little as possible, I have found it on occasion a convenient expression, provided it is used as a loose general term for the economic thought of the period before the English industrial revolution, and is not taken to denote a fixed body of doctrine shared by all the writers on economic affairs between 1600 and 1776.

Defoe's undeserved reputation as a great liar who would argue any case for a sufficient reward might lead some to assume that he had no deep-rooted convictions and that it is pointless to look for any developed theory in his ideas on economics. Admittedly he was foremost a great journalist whose pen was the chief support of a large family, especially after his own business career so soon ended in bankruptcy. His secret service activities for three ministries also took him on two tours of England and Wales and five visits to Scotland, but he still managed to maintain a continuous comment on all the varied topics of the day. At the same time he was a major

protagonist in the paper warfare about the following economic questions - parish workhouses, the Royal African Company's monopoly, the importation of calicoes, the immigration of the Palatine refugees and the activities of the South Sea Company, apart from the political disputes between High Church and dissent, the conduct of the Spanish Succession war and the making of the peace, the Union with Scotland and the Hanoverian succession. Yet these hurried statements of his economic thought during more than thirty years of vigorous controversy show a remarkable underlying consistency. In order to demonstrate this basic continuity of his ideas, and because his style is so individual and pungent, extensive quotation has been thought necessary. It is hoped that this has not made this thesis as prolix and repetitive as Defee himself often was.

- (1) J. R. Moore, Daniel Defee and Modern Economic Theory (Bloomington, Indiana 1935).
- (2) M. E. Novak, Economics and the Fiction of Daniel Defee (Berkeley, California 1962).
- (3) J. R. Moore, A Checklist of the Writings of Daniel Defee (Bloomington, Indiana 1960).

The contributions to 27 newspapers include the whole of the "Review", which appeared on the average three times a week for nine years and totalled 1,356 issues, all the 181 issues of the "Mercator", all the known issues of the "Commentator", the "Director" and the "Manufacturer" and frequent contributions to a number of Tery journals between 1716 and 1726.

OVERSEAS TRADE

Writing upon Trade was the Whore I really doated upon, and design'd to have taken up with, but she is ravish'd out of my hands by the 'Mercator'. (1)

With this revealing statement, Defoe closed the 'Review', after writing single-handedly three issues a week for over eight of its nine years existence, even when he was in Scotland for sixteen months from the autumn of 1706 to January 1708. In more than 1300 issues he had commented on the various questions of the day, such as the great struggle against France, violence at elections, high church bigotry, the danger from Jacobitism, Dr. Sacheverell, party strife and reformation of manners, but always intersepersed with discussions on some question of trade. The 'Mercator' had been launched a fortnight before this final number and he was at last able to devote a journal entirely to commercial questions, for the defence of the free trade clauses of the treaty with France extended to almost every aspect of trade, and continued long after these clauses had been virtually abandoned. His new venture only ceased publication about ten days before Queen Anne died, when the Tory ministry which had proposed these clauses was rapidly disintegrating.

To say that Defoe was fascinated by trade seems an understatement. Possibly because his direct experience of the life of a merchant was cut short by his first bankruptcy, he always approached any discussion about trade with the romantic enthusiasm of a man who had been prevented from following his

(1) Review, Vol. IX (No. 106), p. 212.

chosen career and from achieving eminence as a merchant in his native London. In the words of James Sutherland, "he comes nearest to being a poet when he writes with impassioned prose about the expansion of English commerce." (2) Trade was indeed a mystery, only to be comprehended after a serious attempt to understand its many ramifications. In the first volume of the "Review", he complained, "while I am Entering this Dark Gulph of General Negoce, this hidden Mystery, this half-known thing call'd Trade, I speak to the Understandings of but a very few," (3) and he began "A Plan of the English Commerce" with the sentence, "Trade, like Religion, is what every Body talks of, but few understand:" (4) In the preface, he had complained that few men knew anything of trade outside the boundaries of their own craft or business operations so that the clothier was not aware where his cloth was sold and even "that glorious Head of Commerce," the merchant, was similarly ignorant of the extent of the various stages of manufacture. A small group of these merchants who had the widest experience in the business world were dubbed "universal" merchants, but he declared that he had never met one who merited this description. (5) Fifteen years earlier, he had made the same observation: "Though it is true, that we are the greatest Trading Nation in the World, ... the' almost all our People are, one way or other immediately concerned in Trade; nay, the' our Trade has been the only Cause of the great increase of the Wealth and Strength of this Island, ... yet I do not see that our People are more unaccountably

(2) J. Sutherland, Defoe (1937), p. 47.

(3) Review, Vol. I (No. 88), p. 365.

(4) A Plan of the English Commerce (1728), p. 1.

(5) Ibid. Preface, vii - ix.

Ignorant in anything which so nearly concerns them in the World, than they are in the matters of Trade." This was more than a literary device to introduce two general surveys of British trade, although he did not claim to be the best guide for his countrymen to follow. Rather he regretted that so few attempts had been made to instruct them. (6)

It was because no adequate analysis of Britain's trade had appeared, that the manifest weaknesses remained. "For this Reason our Harbours lye neglected; our Rivers not made Navigable; our Lands Uncultivated; our Collonies Unimprov'd; our Manufactures not Regulated; our Trading Privileges Unequally Granted; our Corporations Ungevern'd; our Poor Unemploy'd; Clandestine Trade Unsuppress'd; the fair Merchant Unencouraged; Taxes on Trade ill proportion'd; Leagues and Treaties for Commerce Imperfectly made, and Irrationally quarrell'd at when made; and Innumerable Inconveniences and Oppressions dayly happen in the carrying on our Trade." (7) These failings formed part of the general chorus of lamentation raised by the economic pamphleteers of the day but Defoe differed from the rest in not providing his own specific cure for these shortcomings, unless we so regard his call for an extension of British trade by further colonization and by inducing the natives in the new lands throughout the world to wear clothes made of British cloth. (8) He tended to dismiss his fellow-writers as "Trade-Smattereders" or "Mountebank Merchants," (9) who were guilty of "weak Thoughts in Trade." (10)

(6) A General History of Trade ... June, 1713, p. 12.

(7) Ibid p. 13.

(8) Infra, p. 1040

(9) Review, Vol. IX, (No. 82), p. 164.

(10) Ibid, Vol. II, (No. 7), p. 26.

Despite the above defects, Britain not only had "the greatest Trade of any Nation in the World" (11) but her present wealth and position in the world were entirely owing to trade. It was not merely that profit and power were desirable objectives; the second entirely depended on the first. The strength and influence of nations no longer depended on their "Prowess, Gallantry, and Conduct" but on their wealth. He repeatedly exclaimed, " 'tis the longest Purse, and not the longest Sword that conquers Nations." (12) If Philip of Spain, who had the finest infantry in the world, had granted his industrious Flemish subjects liberty of conscience, he could have "reduc'd the whole World, and Form'd the Universal Monarchy." Similarly, the Scots were "equally Brave in the Field, and Equally Numerous abroad" as the English but they did not make "an equal Figure in the World" because they were "Poor at Home," (13) Thus trade was "the Life and Blood of this Nation" (14) and the English people could "no more live without it, than without Bread." It was the main-spring of all improvement: "Trade is the Life of a Nation's Wealth; Trade makes thousands live in a Country, more than the Lands can maintain, Trade makes the whole World live by, and depend upon one another; Trade makes barren Climates fruitful, thinly-inhabited Countries populous, poor Countries rich, ... it makes scattering Hutts grow into Villages, little Villages into large Market-Towns, and these again into populous Cities; Trade forms Corporations, procures Privileges, and makes the Buroughs and Towns merit to be represented in

(11) Mercator, No. 52.

(12) Review, Vol. II (No. 20), p.78. Compare "An Argument, shewing that a Standing Army ..." (1698) in A True Collection Vol. I, pp. 216 - 220.

(13) Review Vol. II (No. 20), p. 78.

(14) Ibid. Vol. III. (No. 27). p. 105.

Parliament as well as the Nobility and Freehold." The present power and prosperity of England rested "on only two Foundations; growing Wealth by great Manufactures, and just Government to secure Property and support Trade." (15) Three things had combined to raise this "present Opulency and powerful Circumstances of this Nation" from "the meanest and most despicable Conditions that an Inhabited Country could possibly be supposed to be in," namely the fertility of the soil, the increase of trade and the industry of the people. "The Fruitfulness of our Soil would never have enrich'd us, without the Trade to Export and Consume the Production; The greatness of Trade would never have enrich'd us, without the Production of the Land, and Labour to carry abroad; The consumption of Foreign Merchandizes imported in return for what they carried out, could not have been without the Encrease of Wealth, and People to home to support the Expence:" Therefore, he deplored the "Civil War" that had developed between land and trade, with the landed man despising "the Purse proud Mechanick" and the wealthy merchant regarding the gentry as drones, which Defoe compared to Aesop's fable of the body and the limbs. (16)

During the credit crisis which followed the formation of Harley's ministry in 1710, Defoe was incensed by those Tories who argued that land was the basis of the nation's wealth and castigated the 'Examiner' for bestowing "so much Wit on so dull

(15) Ibid, Vol. IV, (No. 6), p. 23.

(16) A General History of Trade, June 1713, pp. 14 - 16.

an Argument." He asked what made land a fund and what was land worth in the days of Henry I:

"... The Ground stood just where it does now; the sweet Dews of Heaven, the refreshing Showers, the warm Beams of the Sun, all invigorated the Earth as much ... as they do now - But where was the Fund? - What was the Rent? Where the Improvement? ... what had your land been without Trade? ... Till Trades brought you Gold and Silver, and fetch'd away your Manufactures, found Vent for the Produce, and Labour for your People, What was all your Wealth? - Your Natives must have wander'd Abroad, and been Hirelings and Mauls for Europe, as the Swiss are to this Day: ... It is Trade has made your Commons Rich, your Merchants Numerous, your Poor able to maintain themselves: It is Trade has made you Great, Strong, Terrible Abroad, and busie at Home! It is Trade has kept your People from wandering like Vagabonds on the Face of the Earth; People Consume the Produce, Trade has fill'd you with People, the Produce raises the Rent, and the Rent makes the Land a Fund; ... 'Tis from Trade as the Magazine that Land receives its Value and Life - Land is a Fund of Wealth, that's true; but Trade is the Fund of Land, from your Trade springs your Land's Wealth ... What was the Land in Barbadoes good for, when the Island was unpossess'd by us? It was as Rich as now, the Fund was there - But that Trade gave that Fund a Value ... and take Trade from that Island now, ... Will it Feed and Employ 60000 Negroes etc. in a Place of but 25 Leagues round?

Stop but Trade in England, and see what your Lands will soon come to - ... The Poor would eat up the Rich, the Land would not feed the Multitude; ... your Provisions, of course, would fail, that failing, Rents of Lands must fall - Customs, Excises, and Taxes, would fail of course, all your Subsidies would lie upon Land, your Gentry would sink, a Thousand Pounds a Year in Land wou'd not be worth a Hundred and Where then is your Landed Fund? ..." (17)

Four days later, he continued the argument "When "the Landed Men" controlled England, "Slavery and Subjection to these Men of Land was our Politick State, meer Husbandry and Labour the

chief of our Employment - The little Trade we had, was carried on by Foreigners, the Easterlings ... and the Hans-Towns were our Merchants:" Because the "mighty English scorn'd to Trade," the Flemings made cloth from English wool to ten times the value of the raw material. (18)

Usually, Defoe tried to prevent any such confrontation between these two great interests in eighteenth-century England. He attacked those who "would fain make Land and Trade fall into our fatal National Divisions of Whig and Tory ... (and) make Land be High Church and Trade a Whig." (19) Land and trade were complementary. "Land is a Fund for Trade, and Trade is a Fund for Land; both together are the Fund of Credit, and all three a Fund of Strength, upon which we carry on the War." England's foreign trade "would be very Lame without our Land," without the supply of such raw materials as wool, timber and minerals. Therefore, trade was "the Child of Land." Again, without the plentiful supply of provisions "at easie Rates" which kept wage rates reasonable, English exports would be too dear for their foreign markets. But while land was "the Original of Trade," it was still trade which was "the Nurse of Land" and responsible for all improvement. He compared the relationship between them to that between land and cattle: "the Land feeds the Cattle ... but the Cattle again furnish Dung and Manure which Enriches the Land." The analogy also provided a justification for the prohibition of the export of wool or any other vital raw material: "If these Materials are carried Abroad to be Manufactur'd, the Land is beggar'd,

18. Ibid. (No. 18), p. 71.

19. Ibid. p. 69.

the Poor will fly away for Work to those Countries where the Manufacture is carried, and the Provisions by Consequences will not be consum'd; ... Provisions falling, Rents of Lands fall, and the Rents of Lands falling the Nation grows poor." (20)

A recent issue of the "Spectator" prompted an attack on those who tried to make trade "the only Agent of Wealth ... Deprecating the Terra Firma of England to that Degree that the Soil is rendered a perfect Wilderness, without the Help of Commerce." (21) The 'Spectator' had claimed that England was originally "a barren, uncomfortable Spot of Earth," that the only native fruits were "Hipps and Haws, and Pig-Nutts," sloes and crab apples, and that those fruits which had been introduced here "would all degenerate, and fall away into the trash of our own Country if they were wholly neglected by the Planter, and left to the Mercy of our Sun and Soil." (22) Defoe's staunch nationalism could not allow such a statement to pass unchallenged. He claimed that he was not "so fond of England, above all the World" and that he was not one of those who thought that England was "God's Garden" or that paradise should have been placed on the banks of the Thames rather than in Asia, but this was only to strengthen the force of his answer to the 'Spectator.' He admitted that Britain was "perfectly unimproved" before the arrival of Julius Caesar, but that it was "by Nature Rich" and had "all within it self necessary for the Use of its Inhabitants, not only for Life,

20. Ibid, (No. 22), p. 91.

21. Ibid, (No. 30), p. 122.

22. Spectator, No. 69, 19 May, 1711.

but even to Luxury and Pleasure." It was "originally furnish'd by Nature to be the great Store-House of the World" and "ever stood less in need of other Countries, than other Countries did of it." (23) In a later issue, he propounded one of his "fundamentals":

"Britain has the following Articles to boast of, more than any other Nation in the World.

1. The most of her Native Produce to Export.
2. The most of the Manufacture of her own People to Export.
3. That Produce most wanted by other Nations.
4. The least Necessity of imported Goods from other Nations."

It is clear that he was thinking primarily of British products, because although he included all the "Dominions of the Queen" in the term Britain, he added that neither Ireland nor the colonies produced much and that the latter prevented "our Wanting some Things, which other Parts might be said to supply us with, if we had them not there." Therefore, he concluded, "unless unaccountable indolence, Negligence, or Mismanagement, appears in our Trading, We may, nay we must Trade to more Advantage, and grow Rich by Trade, faster than any Nation in the World.

.....

... this is a Certain Maxim, an undeniable Foundation in Trade, That those People whose Export is their own Growth, or Manufacture, or Growth AND Manufacture rather, must get more by Trade, than other People." (24) But without "the Native

23. Review, Vol. VIII, (No. 30), pp. 122-123.

24. Ibid, Vol. IX, (No. 57), pp. 113-114.

Fund of Wealth Heaven had plac'd in our Soil," foreign trade "had serv'd only to Impoverish, not Enrich us" because we should have lacked outward cargoes for our essential imports. (25) Earlier writers had made similar observations, although usually in more general terms, as Nature's bounty to England was their basic premise from which they could urge their particular improvements to enable her to emulate the Dutch. Early in Charles II's reign, Slingsby Bethel said that Nature seemed "to admonish" the English into trade by "endowing them with Natural helps for Trade beyond all other Countries: As with plenty of staple Commodities, encompassing them with profitable and rich Seas, convenient and safe Havens and Bays." (26) "England hath in it all the Product necessary for Life, and for defence of Life," declared Joseph Coles, (27) but Carew Reynel wrote the most enthusiastic panegyric: "Great Britain is acknowledged by all the world to be Queen of the Isles, and as capable to live within it self as any Nation: Having not only all things necessary for the Life of man, but also abundance of materials, and store of Manufactures and Commodities to a superfluity for Transportation. And it is so incomparably situated, that Trade offers it self to all its Ports and Harbors. The Soyl of the Country rich, ... Mines of Tin, Lead and Sea-Coal unexhaustible; ... Its Seas every where filled with Shoals of Fish, that are as good as ready silver, to fetch in all manner of Commodities." (28)

25. Ibid, Vol. VIII, (No. 30), p. 123.

26. (Slingsby Bethel) The Present Interest of England Stated (1671) p. 2. This pamphlet was reprinted in his The Interest of Princes and States (1680) as the Interest of England.

27. Joseph Coles, England to be Wall'd with Gold ... (1700) p.4.

28. Carew Reynel, The True English Interest ... (1674), pp. 2-3.

Although God had given a special mark of His bounty to England, no country had been left without some favours. Defoe noted "how the most Plentiful Country, receives from the most Barren; how every Nation has something to fetch from, and something to send to one another; every Nation something to spare, which another wants." (29) Observing that God "could so have dispers'd his Blessings on the World, that all the Productions of the whole, should have been found in every Part; ... so that, no Man need to go a Mile from Home for anything he wanted," that all minerals should have been available "in every Field and just at the Surface," all plants should have flourished everywhere and "all the Sheep in the World should have Wool of equal Fineness," he acknowledged that this would "remove all Poverty and Misery, Tyranny, Oppression, and Inequality of Poor and Rich, and level Mankind to one State of quiet, perfect Enjoyment." While this might be a better world than the one we enjoyed, "it would ruine all Trade" and "Men would move in a very narrow Sphere," Defoe was relieved that "wise Providence" had decided that man should eat his bread with the sweat of his brow and that many natural products had been placed "at the remotest Distance from one another, in the most Secret, Reserv'd and Inaccessible Parts... so as to make a Universal Correspondence absolutely necessary." (30) Thus there was "a kind of Divinity in the Original of Trade." (31) Referring to Bishop Burnet's theory that the earth was now "but the Rubbish of the Antediluvian Earth, the Ruines of a former more beatiful Fabrick ... without Rivers, Seas, Hills or Dales," he was again pleased that God in his

29. Review, Vol. III, (No. 2), p. 6.

30. Ibid, Vol. IX, (No. 55), p. 109.

31. Ibid, (No. 54), p. 107.

infinite wisdom had given the world its present irregularities.

(32) John Evelyn had observed that the "ample Baies, Creeks, trending-Shores, inviting Harbours" seemed to have been "dispos'd for Traffick and Commerce," (33) and Defoe cited "the Navigation of Rivers letting us into the very Bowels and Center of Countries ... The Natural Assistance of long undiscovered Guides to Navigation, such as the fix'd Stars, etc... the furnishing all Maritime Nations with Materials for Shipping "as evidence that the world had been prepared for trade. (34) Lastly commerce had greatly enhanced the value of the natural product and had made the world immeasurably richer. "The bare Produce of the Earth" could never have provided work for the large concentrations of population which trade had brought together. (35) "Trade," he proclaimed, "like the Blood in the Veins, Circulates thro' the whole ... of Mankind, and Creates, ... a kind of Wealth which was never made before: For the Profits of Trade are an Encrease of Wealth, without an encrease of the Specie, and leading Men with Riches which were not found in the Creation." (36)

Although there was "a mutual Joy of Commerce, a reciprocal Advantage of Trade" (37) from this exchange of commodities, so that a particular need of the most fertile country might be supplied by the most barren, (38) Defoe shared the general

32. Ibid., (No. 55), p. 109.
33. J. Evelyn, Navigation and Commerce, Their Original and Progress. (1674), p. 2.
34. Review, Vol. IX, (No. 54), p. 108.
35. Ibid., Vol. III, (No. 2), p. 6.
36. A General History of Trade ... June 1713, pp. 5-6.
37. The Political State of Great Britain, January 1730.
38. A General History of Trade, June 1713, p. 36.

assumption of his day that the volume of world trade could not be extended. This was of course subject to various qualifications such as that trade could be increased by discoveries of new lands, by the planting of new colonies, by inventions, by "finding out more Wealth, and above all, by the increase of Inhabitants," but he referred with obvious approval to a statement by the author of 'The Observator Reform'd,' "that the general Article of Trade in the World, being of the same Magnitude as ever, the encrease of any one Part, must be upon the Diminution of another." Saying that he would not "pretend to Mend" this author's "Notions of Trade," he proceeded to apply them to the case of France: "That by how much the Trade, and consequently, the Wealth of France is encreas'd for about 150 Years past, by so much the Trade and Wealth of England, Holland, Spain, Flanders, and the rest of the Trading part of Europe is decreas'd." He added, "the Conquests made by the French upon our Trade, tho' they do not make an equal Noise in the World; yet, like a slow Poison, they are equally Fatal to our Prosperity, with the greatest Victories they obtain;" and that they encroached "insensibly, like Dust upon Cloaths or Chronical Diseases upon the body." (39) Admittedly, these remarks were made in the first volume of the 'Review', which was begun to make his countrymen aware of the formidable task which faced them in reducing the excessive power of France and in the particular

39. Review, Vol. I. (No. 93), p. 385. It is possible that Defoe wrote "The Observator Reform'd" of which I have seen only the issues in the Bodleian Library. Although he often reproduced long extracts from his other anonymous pamphlets, he rarely quoted from any contemporary writer and the ideas in this journal are so typical of Defoe.

context of the heavy losses from the French privateers in the opening months of the war and of the French threat to Britain's most desirable trade, that with Spain. He also claimed that while England had come to realize the political danger from France, no one had seen the designs which they had of gaining "an Universal Trade." It may also be thought that the many exceptions listed above take away all significance from his observation about a fixed volume of trade, but it seems that it conditioned all his thinking on a settled, long established commerce, such as the Trade of Europe. References to world trade as "an unbounded Ocean of Commerce" do not indicate limitless possibilities of expansion but rather that the activities of the merchant are so complex that he is "no more to be follow'd in his Adventures than a Maze or Labyrinth is to be trac'd without a Clue." (40) Occasionally, Defoe expressed a hope that the European nations would realize their mutual benefits from trade and renounce their intense trade rivalries.

"... could the Ambition of Princes, and the Rage and Rapine of Injurious Men, leave the World at rest, to pursue the just Advantages of Trade, every part of Europe would in a few Years be enrich'd, by the General Circulation; there would not be such Clamours and Complaints against one another, about who has, or has not the Ballance of Trade on their side, but such would be the Extent of Foreign Commerce, I mean to the African and American World, that the Wealth of both the other, would center in Europe.

... I cannot but lament the Folly of Men, who consider the Advantages of Trade not in general as they respect Europe, but particularly, as they respect themselves;

40. A Plan of the English Commerce Preface, pp. ix-x;
Compleat English Tradesman, Vol. II, Part II, p. 3.

and grow as jealous of their Neighbours enlarging their Commerce as if it was an invading their Right, ... whereas Trade calculated for the General Good ought, as far as possible, respect being only had to Justice and Property, to be extended and improved to the utmost, as the Universal Advantage of Nations." (41)

He even questioned whether further geographical discoveries were for "the General Good of the Trading World" because they became the exclusive property of particular nations and inevitably extended their European rivalries to other continents as in America. (42) These remarks, however, appear in "A General History of Trade" which was issued when the proposed treaty of commerce with France was still the subject of vigorous debate in the country and do not reflect his general opinion. One of his constant arguments in favour of the monopoly rights given to the East India and Royal African companies was that the activities of the separate traders would lead to a neglect of their forts with the consequent loss of the trade to our Dutch and French rivals. (43) On the whole, he thought that direct trade between Britain and Holland and even between Britain and France was complementary, but he undoubtedly looked on France and Holland as dangerous rivals who must not be allowed to threaten Britain's expanding commerce in her Mediterranean, African, American or Asiatic markets.

World trade might be limited but Britain had the best opportunities to obtain an increasing share at the expense

41. A General History of Trade, July 1713, pp. 29-30.

42. Ibid, June, pp. 43-44.

43. Infra, pp. 793-796.

of other countries. Although he reprimanded the British people for failing to wear their own manufactures, (44) and criticized British governments for various errors in directing commerce or for not enforcing the regulations already made, (45) so that he could state "no Nation in the World can show such mad Doings in Trade," (46) he also maintained that she had been "always famous for her Watchfulness over, and Regard to the Prosperity of her Trade." (47) When the Treaty of Utrecht was being signed, he declared that if trade were not "better'd by Peace ... we must be suppos'd to have lost the Genius for Trade, which this Nation was always famous for." (48) Not only had Britain an entire "Dependence upon Trade" (49) it had been the foundation of her prosperity: "we were raised from nothing by it, and we shall be reduced to nothing when we lose it; we have few Families so great or so ancient, but they have been either begun in Trade, or encreased and received Additions from Trade; and if any are so vain as to contemn that Original, let them tell us, what their Estates would be worth, if the Encrease of Trade, which always add to the Value of Land, had not raised their Rents, and what they would come to, should a Decay of Trade reduce them to their very poor Original." (50)

44. Infra, pp. 250-251.

45. Infra, p. 636. He instanced the laws of debt as "Laws, which in their own Nature, are Destructive to the very Being and Nature of Trade," Review, Vol. III, (No. 27) p. 105.

46. Review, Vol. III, (No. 92), p. 365.

47. Ibid, Vol. IV, (No. 4), p. 15

48. Ibid, Vol. IX, (No. 83), p. 165

49. Ibid, Vol. III, (No. 27), p. 105

50. Ibid, Vol. IV, (No. 146), p. 584

Britain, even more than Holland, was "a Trading Nation." Whereas other nations, such as Spain, Italy and some parts of Germany, Hungary and Poland, "valued themselves upon abstracted Nobility" and did not allow them to engage in trade or "to Mix with the Trading part of the People," in England "her numerous Gentry, her Illustrious Nobility, and most, if not all her best Families" owed both their success and their fortune "to the Oppulence and Profits of Trade." In recent years he claimed, "great Families have risen more upon Casual Wealth, then upon the Inheritance of Ancestors: Pride, Luxury, and Time, have made great Depredations upon Noble Families, which Trade has frequently restor'd, and added Families, to make good the Deficiencies of those Decayed and Extinct." (51) In "The Fortunate Mistress," Defoe introduced Sir Robert Clayton to advise Roxana on the management of her fortune and she recounted how that famous London merchant gave her further reasons for the advancement of the merchants at the expense of the gentry:

"... that a Merchant is flush Business; and a capital Stock is able to spend more Money than a Gentleman of 5000 l. a Year Estate; that while a Merchant spent, he only spent what he got; and not that; and that he laid up great Sums every Year.

That an Estate is a Pond, but that a Trade was a Spring; that if the first is once mortgag'd it seldom gets clear, but embarrass's the Person for ever; but the Merchant had his Estate continually flowing; and upon this, he nam'd me Merchants who liv'd in more real Splendour, and spent more Money than most of the Noblemen in England could singly expend, ...

... even the Tradesmen in London speaking of the better sort of Trades, could spend more Money in their Families, and yet give better Fortunes to their Children, than, generally speaking, the Gentry of England from 1000 l. a Year downward cou'd do, and yet grow rich too." (52)

Defoe was certain that "the trading part of the people" possessed much more wealth than the gentry. Although a great many families had been raised during the Spanish Succession War "by great employments, and by great actions abroad, to the honour of the English gentry," how many more tradesmen's families had gained "immense estates" ... by the attending circumstances of the war; such as the cloathing, the paying, the victualling, and furnishing etc. both army and navy?" The trading community had paid "the prodigious taxes" had supplied the loans and advanced money "upon all occasions," and had "borne the burden of the war." "Is not trade," he asked, "the inexhausted fund of all funds, and upon which all the rest depend?" It was common "to see a tradesman go off the stage, even but from mere shop-keeping with from ten to forty thousand pounds estate" whereas "few families of the lower gentry ... from six or seven hundred a year downwards," but were in debt, "and in necessitous circumstances, and a great many of greater estates also." He continued, "In how superior a port or figure ... do our tradesmen live, to what the middling gentry either do or can support? An ordinary tradesman now, not in the city only, but in the country, shall spend more money by the year, than a gentleman of four or five hundred pounds a year can do, and shall increase and lay up every year too; whereas the gentleman shall at the best stand stock still just

where he began, nay, perhaps decline; and as for the lower gentry, from an hundred pounds a year to three hundred, or thereabouts ... I say a shoemaker in London shall keep a better house, spend more money, cloath his family better and yet grow rich too." (53)

He never missed an opportunity of emphasizing the links between the merchants and the gentry and even the nobility. When a noble family was "loaded with titles and honour rather than fortune," they chose wives from the daughters of City merchants and he depicted the English tradesmen as they grew wealthy trying to establish their links with the gentry or the nobility, going daily "to the Herald's office, to search for the Coats of Arms of their ancestors, in order to paint them upon their coaches, and engrave them upon their plate, embroider them upon their furniture, or carve them upon the pediments of their new houses." He rejoiced at the ease with which the London merchant princes passed into the ranks of the landed gentry in the adjoining counties: "How many noble seats, superior to the palaces of sovereign princes (in some countries) do we see erected within few miles of this city by tradesmen, or the sons of tradesmen, while the seats and castles of the ancient gentry, like their families, look worn out and fallen into decay! witness the noble house of Sir John Eyles, himself a merchant, at Giddy-hall near Romford, Sir Gregory Page on Blackheath, the son of a brewer; Sir Nathaniel Mead near West-green, his father a linen-draper ... and, to crown all,

the Lord Castlemain's, at Wanstead, his father, Sir Josiah Child, originally a tradesman." (54) In the counties of Kent and Essex, not one-fifth of the ancient families remained and nearly two hundred houses of merchants and tradesmen were settled there "with immense wealth and estates ... whose originals begin already to be forgotten. (55) On another occasion, he claimed that he could name five hundred great estates, within a hundred miles of London, which had been bought by tradesmen during the past eighty years, "purchased fairly by Money raised in Trade; some by Merchandizing, some by Shop-keeping, and some by meer Manufacturing." Of the last, he said that it was not difficult to find in Wiltshire and Gloucestershire, "many, (very many) Clothiers, worth forty to fifty thousand Pounds a Man, and some of them worth from five hundred to one thousand Pound per Annum, Estates in Land, besides their Stock in Business, and that their descendants would never be reproached "with their being upstart Gentlemen, or be thought Mechanick, for being of the Blood of a Clothier." (56) Throughout the 'Tour', he was always eager to point out the country houses which had been bought by the wealthy merchants and in Surrey he remarked on the number of London citizens' country houses which were only occupied during the summer. (57) He found equal pleasure in the reverse movement, how "the declining Gentry, in the Ebb of their Fortunes, frequently

54. Ibid, I, pp. 301, 308-311. M. Shinagel, Daniel Defoe and Middle-Class Gentility (Cambridge, Mass. 1968) p. 212 refers to his abiding interest in genealogy. Defoe's own coat of arms appeared with his portrait on the frontispiece of "A True Collection" and more elaborately on the frontispiece of "Jure Divino."
55. The Complete English Gentleman, edited Bullring (1890), p. 263.
56. A Plan of the English Commerce, p. 63.
57. Tour, I, pp. 15, 89-90, 100, 168-169.

push their Sons into Trade, and they again, by their Application, often restore the Fortunes of their Families: Thus Tradesmen become Gentlemen, by Gentlemen becoming Tradesmen." (58)

There was no dishonour attaching to such an origin because the merchants and tradesmen had given ample proof that when raised to noble rank or important position in the service of the state, they fully merited their advancement: "After a generation or two, the tradesmen's children, or at least their grandchildren, come to be as good gentlemen, statesmen, parliament-men, privy-councillors, judges, bishops and noblemen, as those of the highest birth... Nor do we find any defect in the genius or capacities of the posterity of tradesmen, arising from any remains of mechanick blood." He also noted that during the French wars, the army was "full of excellent officers, who went from the shop, and behind the counter, into the camp ... as Colonel Pierce, Wood, Richards and several others." (59) Roxana said that Sir Robert Clayton told her, "and I found it to be true, that a true-bred Merchant is the best Gentleman in the Nation; that in Knowledge, in Manners, in Judgement of things, the Merchant outdid many of the Nobility," (60) and in "The Little Review", Defoe claimed that the greater wealth of the tradesmen enabled them "to give a more liberal Education to their Children," than the gentry could, especially those "of meer Ancient Families." (61) A

58. A Plan of the English Commerce (1728), p. 9.

59. The Complete English Tradesman I, pp. 323-324.

60. The Fortunate Mistress, I, p. 198.

61. Review, Vol. II, Little Review No. 12, p.47.

tradesman, particularly if he was a man of sense, could occasionally keep company with gentlemen, and even ministers of state acknowledged that they found the experiences of tradesmen valuable "in the most difficult and intricate, as well as the most urgent affairs of government." He named "Sir Charles Duncomb, a goldsmith; Sir Henry Furnese, at first a retail hosier; Sir Josiah Child, originally a very mean Tradesman; the elder Mr Craggs, post-master general, a still meaner; the late Mr Lownds, bred a scrivener; and several others, too many to name," as "instances of men call'd out of a lower sphere for their eminent usefulness and capacities." (62) He claimed that he knew of no occupation in the middle station of life, "and among the sensible part of mankind," which was more felicitous than that of a thriving tradesman. He led a life that was "perfectly easy, surrounded with delights," "below the snares of the Great, and above the contempt of those that are call'd Low," his business "a road of life, with few or no uneven places in it" surrounded by plenty and his increasing prosperity flowing in daily. (63) But it was the great merchants who conducted Britain's overseas trade who were, in Defoe's eyes, the most deserving of all her citizens and received his warmest commendation:

"A True-Bred Merchant, is a Universal Scholar his Learning Excells the meer Scholar in Greek and Latin, as much as that does the Illiterate Person, that cannot Write or Read: He Understands Languages without Books, Geography without Maps; his Journals and Trading-Voyages delineate the World; his Foreign Exchanges, Protests and Procurations, speak all Tongues; he sits

62. Complete English Tradesman. I. pp. 34-35.

63. Ibid, II, pp.147-148.

in his Counting-House, and Converses with all Nations, and keeps up the most exquisite and extensive part of human Society in a Universal Correspondence.

He is qualified for all sorts of Employment in the State, by a General Knowledge of things, and Men; he remits and draws such vast Sums, that he Transacts more Value than a large Exchequer.

By the Number of these Cities rise out of nothing and decay again into Villages: If Trade abandons a Port; if the Merchants quit the place, it languishes of course, and dies like Man in a Consumption, insensibly; if these flock to a Town, Home-trade crowds upon them; Seamen encrease; People flock in, and the Village soon becomes a City." (64)

It was these beliefs that made Defoe declare that there was "a dignity of trade in England more than in other countries. (65) Earlier, he had developed this theme extensively in the 'Review'. Whereas the difference between new and old nobility was "a Nicety very few in England" could distinguish, there was no disputing.

"...That England is a Trading Nation, that the Wealth and Oppulence of the Nation, is owing to Trade, that the Influence of Trade is felt in every Branch of its Government, in the Value of its Land, and the Blood of Trade is mix'd and blended with the Blood of Gallantry, so that Trade is the Life of the Nation, the Soul of its Felicity, the Spring of its Wealth, the Support of its Greatness, and the Staff on which both King and People lean, and which (if it should sink) the whole Fabrick must fall, the Body Politick would sicken and languish, its Power decline, and the Figure it makes in the World, grow by degrees most Contemptibly Mean.

Trade Employs the People, raises the Price of Wages, and that of Provisions, and that of Lands, and that encreases the Estates of the Gentry; their Estates encreasing, they Live Splendidly, Entertain Servants, keep Plentiful Tables, wear Fine Cloaths, ride in Coaches, etc. and that again makes Trade.

64. Review, Vol. III, (No. 1) pp. 6-7.

65. Complete English Tradesman, I, p. 305 - heading of letter XXII. Cf. Steele's "The Englishman" ed. R. Blanchard (Oxford 1955) Vol. I, Nos. 3 and 4.

By this Circulation, Demands of Goods are made from us, by this our Manufactures are Encreas'd, our Merchants build Ships, and employ Seamen and Multitudes of Artizans, Labourers, Tradesmen, etc. in the Equipment and Navigating those Ships. Thus the Merchant grows Rich, lays up vast Sums, and being able to give great Portions, his Daughter Marries my Lord Duke's Son, and in time becomes Dutchess; and his Son Marries my Lord's Eldest Daughter; and thus the Tradesman's Grandson becomes a Duke, and my Lord's Grandson goes Prentice to a Merchant; their Coats of Arms are Quarter'd Parte per Pale, and Posterity knows no Difference.

Again, Trade thus Encreasing, pays vast Customs and Taxes, this Enables the Government to raise Armies, fit out great Navies, and become formidable to the World; and thus the Figure of this whole Nation is deriv'd from Trade." (66)

The second reason for Defoe's conviction that England was the greatest trading nation in the world was that she could be justly called "the center of the whole Commerce of Europe" and that Europe dominated world trade. This view was based on two principles, that England exported "more value of its own produce, and of the labour of its own people" and that it consumed "more of the growth and produce, labour and manufacture of foreign countries, than any other nation." The first showed "the value and excellence of its produce, and of its manufactures, and the demand for them in other countries" and the second demonstrated how dependent other nations were on their trade with England "for the consumption of their goods." Both these contributed to "the greatness and prodigious extent" of England's home trade which not only exceeded that of any other nation in Europe, but, with Scotland and Ireland, was "greater than all the rest

66. Review, Vol. II, (No. 3), pp. 9-10; Cf. A Plan of the English Commerce, pp. 38-39.

of the inland commerce of Europe put together." He naturally included the colonial trade, "the people being our own, and their consumption always to be reckon'd a part of our own, their produce our produce, and their wealth our wealth." He admitted that the Dutch exceeded his countrymen in six articles of trade, all imports except herrings and even these carried the description "from the coast of Scotland." The others were iron from Sweden, naval stores from the Baltic, oil and whale fins from Greenland, spices, silks and calicoes from the East Indies and wine and brandy from France. (67) Earlier, he had observed that Holland was "the greatest general Receptacle of the Product of the whole World, it is in that respect the Center of Trade; the place from whence all Parts of the Trading World receive the Product of all other Parts of the World, which they do not fetch directly from the places where they are produced." But Holland had "no Product of its own" and while Britain did not "exchange so much the Commodities of other Countries," the total trade of Great Britain and Ireland was greater than "the whole Return of the Dutch Commerce by some Millions per Annum." (68) In another context he emphasized that except for corn and salt, which Britain happily did not want and indeed sent large quantities of the former to Holland each year, the Dutch re-exported most of their imports so that they were "only the carriers and brokers for the rest of the world." This seems a curious comment as most writers of the time regarded retained imports as at best a necessary evil and

67. The Compleat English Tradesman, Vol. II, Part II, pp. 10-18.

68. A General History of Trade, July 1713, pp. 5-6, 29.

in the same passage Defoe reported the great gain to Britain from her re-exports of colonial produce. The importance which he attached to the home trade has just been noted and he obviously looked on the large volume of imports into Britain as one of the reasons for "the immense greatness of our internal trade." Further, these goods were not "so immediately made use of at home, as only to be presently retailed out to the consumer; in which case they would not be of much real benefit to the public stock, and be only a drain of our money, assisting the foreign commerce, and causing the balance of trade to run against us: But many of these importations ran through several particular operations of Art, before they come to use; and others are manufactured here, and by employing our poor in great multitudes, before they are fitted for use, are many ways subservient to our home trade; ...

.....

Thus the vast importation of our trade is not properly for the immediate propagation of luxury, and the expense of eating and drinking, tho' much goes that way too; but it is again employ'd by many thousands of hands, and gains to those hands a complete subsistence." (69) Defoe expressly stated that British imports were prodigious like her exports "and this the rather because of the great Consumption of these Imports among our selves, as well as their Exportation as Merchandize." The Dutch were "the Carryers of the World, the middle Persons in Trade, the Factors and Brokers of Europe," buying to sell again, because their well-known frugality did not create a large internal demand for retained imports. "But in England,

the Country is large, populous, rich, fruitful; the Way of Living, large, luxurious, vain and expensive, even to a Profusion, the Temper of the People gay, ostentatious, vicious, and full of Excesses; even criminally so in some Things, and too much encreasing in all.

.....

Hence comes as a Consequence, a vast Importation of foreign Growth of every kind, either for Eating or Drinking, for Fancy or Fashions, and this so great, as not to be equall'd in any Part of the World; the Fact seems a Charge, tho' not design'd as such, but to illustrate the Subject." He claimed that of those European countries which did not make any wine of their own, none imported so much as Britain, "notwithstanding the great consumption of Malt-Liquors, Malt and Melasses Spirits, brew'd and distill'd at Home; and notwithstanding a vast Quantity of Cyder and Perry, Mead, Rum and other Liquors; ... and in spite of a most excessive Duty upon the Importation of the Wine, as well as an Excise upon the Consumption of the brew'd Liquors of our own." Moreover, wine was not the ordinary drink of the people, in which case it would be mingled with water as in Spain, France and Italy, but was invariably drunk to excess and was "not our needful, but our superfluous Drink." Similarly, the importation of linen was "a Prodigy" so that it seemed "as if all the World were not able to supply us" and he estimated that there was more linen "as well in Bulk as in Value" imported into Britain and her colonies than all the other European nations together admitted. The large amounts shipped to the American colonies were "justly to be esteemed our own Consumption" and in addition there were the

large quantities of flax and linen yarn imported for the domestic linen manufacture of northern England and the increasing production of linen cloth in Scotland and Ireland. The large quantities imported into Spain and Portugal were "not worth Mention, in Comparison with England." Again, of fruits, nuts and oil from the Mediterranean countries, no European nation imported "an equal Quantity of any of them, much less of all of them together." The imports of coffee, tea and cocoa were equal to the spice trade of the Dutch, importation of raw silk was another large item and no nation imported as many drugs and dye-stuffs. The only foreign imports he absolutely condemned were naval stores and timber from northern Europe, because these could be raised in the American colonies. (70) Defoe was intentionally omitting colonial imports, which in any case were largely re-exported, because he was considering foreign imports. It is difficult to check his estimates because Mrs Schumpeter's tables of the values and quantities of selected imports do not include all his items and they only deal with imports into Britain. No doubt they are exaggerated, but the general picture of a relatively large import trade seems substantially correct.

Defoe fully accepted that it was necessary to import in order to export and he frequently stressed the need for return cargoes. (71) "Shall that Nation pretend to unite in Trade, which will Export everything and Import nothing!" he asked. (72)

70. A Plan of the English Commerce, pp. 143-168.

71. Infra, pp. 273-274.

72. Mercator, No. 89, Dec. 13, 1713.

"Exportation and Consumption are the two Essential Articles of Commerce;" he insisted, "... Taxes at Home load Importations, and making every Thing come heavy and dear to the Common People, ... and this lessens Consumption." (73) These words were written in an issue of the 'Review' largely devoted to the need to spread the heavy war taxation as widely as possible and not to assume that this could be levied solely on superfluities, that is imports, but it is clear that he related an increase in imports to an improvement in the general standard of living.

"As the World now lives, the Land would be far from Nourishing or Maintaining the Numbers of People planted thereon; no Nation now in the Universe, could maintain the People that lived in the Land of Canaan in so little room as they lived in: The Land of Canaan it self, would not now feed half the People that used to inhabit in the City of Jerusalem; not that the Climate is alter'd, ... but the way of Living in the World differs, People do not comfort their Hearts now with a Morsel of Bread, or a Cake of Flower mingled with Oil; a Bunch of Raisins and a Cake of Figs, is not now a Present for a King.

The very Flesh that is devoured in the City of London, could not have been raised and fed, in five such Countries as the Land of Canaan.

This new method of Living, saving the Errors of it, ... is however the great support of Trade in the World; again, that Trade increases Wealth, raises Families, lifts the Poor up from the low and necessitous way of living, to subsist comfortably and plentifully on their Labour; this again prompts and encourages Diligence ... and encreases the Consumption of those Imports which Commerce supplies on the other." (74)

In some contexts, Defoe speaks with a modern voice, reckoning the total volume of trade as the most important

73. Review, Vol. VIII (No. 182), pp. 731-732.

74. A General History of Trade, July 1713, pp. 26-27.

consideration for employment of the people and the improvement of their standard of living, but conventional fears keep breaking through. For all his emphasis on the volume of British imports, he could still lay down as a fundamental that Britain had "the least Necessity of imported Goods from other Nations," (75) and it is significant that these imports were raw materials, foodstuffs or luxuries. Thus, he announced with obvious satisfaction, "we consume at Home the greatest Quantity of Foreign Product but the least of Foreign Manufacture of any trading Nation in the World; the only foreign Manufactures we may be said to import wholly, is Linen and Paper, and Tin Plates; and yet those not wholly neither." (76)

Despite his recognition of the place of imports in British trade, the primary importance of the export of manufactured goods was his most deeply-rooted conviction in all his thinking about economics. While he wrote that trade was "a general Exchange of the Necessaries and Utensils of Life," (77) he was still a prisoner of the prevailing conception of the balance of trade. It is true that he referred contemptuously to those who made no more of it "than of a common pair of Scale and Weights," (78) and probably no one at that time was more fully aware of the many indirect exchanges of commodities which occurred in world trade. (79) Because of these "oblique branches of trade," he thought that it was difficult to strike a balance in the direct trade between two countries. Although

- 75. Review, Vol. IX, (No. 57), p. 113.
- 76. A Plan of the English Commerce, p. 58.
- 77. Review, Vol. III, (No. 2), p. 5.
- 78. Ibid, Vol. I, (No. 88), p. 365.
- 79. Infra, pp. 636, 662-664.

it was generally accepted that Britain sold to Holland £2 million of manufactures, he considered that we imported such "a prodigious Quantity of Goods of other Nations thro' their Hands" that it was hard to determine which way the balance lay and that it might be "sometimes one Way, sometime another" (80). He also knew that the contemporary statistics of foreign trade were defective and where they were available and reasonably reliable, many factors could affect the trade with the result that exports of corn, for example, could fluctuate greatly from one year to another. (81) Again, the value of the freights earned by British shipping might turn an adverse balance on direct trade into a favourable one and he argued that the value of the Dutch trade to Great Britain was reduced by the number of Dutch ships which it employed. (82) He also considered that although Britain had no gold and silver mines of her own, there was no merit in accumulating a store of treasure by the silver acquired from trade with Spain and Portugal, but that this could finance imports from areas such as eastern Asia where there was little demand for British manufactures. (83) Yet while he realized that it was no simple matter to determine the balance of trade and did not often use this phrase, he thought that it was only by the export of manufactured goods that a nation could increase "the Publick Stock."

80. A Plan ..., p. 168.

81. Ibid, pp. 175-176.

82. Mercator, No. 49, Sept. 15 and No. 50, Sept. 17, 1713.

83. Infra, p. 731.

His basic premise was that "The Funds of Trade in any Nation, and upon which the Commerce that is rais'd, is with Propriety said to be the Trade of that Nation, must be contain'd in these TWO.

THE Produce of the Soil, and,
THE Labour of the People." (84)

By the produce of the soil he stated that he meant that part which was exported, namely wool, after being manufactured, corn, coals, leather, tin, lead, iron, copper, fish and salt, but he made it clear that labour was much the more important in that it could "double and redouble the Sum." (85) Earlier, he had declared, "nothing is a real Addition to the Wealth of a Nation, or an Encrease of its publick Stock, but what that Nation can sell to other Nations, of the Growth and Produce of Land and Labour. Some say the Produce of Land only, is an Encrease, but I conceive that is a mistake, because if the Labour of a Man makes any part of the Produce of the land sell for more than it would otherwise sell for; It is so much gain to the Publick, as that advanc'd Price amounts to, except only what it cost that Man to subsist him self while he was Employ'd about it. Thus the Labour of the Man is the Gain to the publick Stock, and thus every indolent idle Person may see how much

84. A Plan of the English Commerce, pp. 114-116.

85. Review, Vol. IX, (No. 39), p. 78.

his Country loses by him, and how it is a gross mistake for a Slothful Idle Person to say he does nobody any harm; ..."
(85)

All the writers of the time agreed on the necessity of increased production but it was the export of our surplus labour that was of paramount importance;

"What Blessing would our Wooll be to us, and what advantage our Manufacturing, if our Goods when made, were not to be Exported and Sold Abroad? Nay, even in the whole World nothing is of a real Value more than Family uses require, but as it will sell to others for Money, or Barter with others for some other Things which they who possess it may want.

If all other Nations had the Wooll that we have, and consequently the like Manufactures, of what Advantage, more than our own Use, would our Wooll be? The Quantity we have would be our Burthen, and we should Dung our Land with it rather than Manufacture it, for we could not Consume it.

... No Trading Nation prohibits the Exportation of their own Manufacture, since it is in the Labour of the People and Produce of the Land, consists the Wealth of any Country, so that Wealth is only increased by so much of that Produce and of that Labour as can be sold out of the Nation; for nothing that is consumed at home is any Advantage to the National Wealth. What Plenty either of Provisions or Wearing Apparel is raised from our own Land, and by our own Workmanship, and is made use of among our selves, may indeed be called our Subsistence and Wealth, as a Nation; but it never increases one Farthing by being made use of at home; that National Wealth never grows by all we consume among our selves; this or that Family, and this or that Town or County may grow richer than another, as the Product is richer, or the People more employ'd than the rest: But this is all gain'd from one another, and the Publick Stock is still the same.

All the Encrease of the Publick Stock, must be by some of this Product or Manufacture being sent abroad, ... and for this Reason it is our undisputed Interest, that as much of our Produce and Manufacture as can possibly be spared, more than our necessary Consumption demands, should be sent abroad." (86)

In his criticisms of statements made by the 'Guardian' in number 170, he developed this argument. The cost of the subsistence of the workman during the period of manufacture was to be deducted from the gain to the public stock of the value of the manufactures exported, "for all Provisions which are consum'd at home are no Profit to the General Stock, although they are our own Production; and therefore the Price of that Consumption is to be deducted. Every Shilling a poor Man earns is an Encrease to the Publick Stock provided he lives without it, because Money laid up is an intrinsick Wealth; but if he must spend it for Bread, the Specie circulates, and the Publick Stock is not encreased. So that so much only of what we Export, IS A GAIN to the Publick Stock, as that Export produces more than it cost the Nation to Produce and Export it." Continuing his debate with the 'Guardian', it almost seems as if he were deliberately showing that he was more orthodox in his concept of the balance of trade than his opponents, but this may have been a born

journalist's trick to make his defence of trade with France more acceptable. The 'Guardian' had stated that the importation of foreign materials to be manufactured in Britain might be beneficial even if these manufactured goods were then consumed at home, especially if these materials, such as raw silk from Turkey, were obtained in return for British exports. Defoe disagreed, "The Return of Foreign Goods for Woollen Manufactures Exported, is no way any Advantage to the Publick Stock If consumed at home, but is swallowed up in the general Circulation of those Species which our Exports are perform'd by, and so becomes a part of the first Cost of our Exported Manufactures: which ... is to be deducted out of the Profit of the Exportation." He took as an example a clothier spending £20 a year on imported goods either in his family expenditure or in the business of manufacture: "so much the Exports for that Year of his Goods owes to Foreign Trade, that Twenty Pounds worth of Goods being bought with Goods formerly Exported; and if it must be placed to the Profit of Goods now Exported, will be Charged twice over, and so be a cheating ourselves by imagining we get what we do not." Therefore, the cost of the imported raw materials was to be deducted from the proceeds of manufacture whether the goods were exported or consumed at home. (87) At the time of the calico controversy of 1719-20, he attacked his opponents for claiming that the East India trade was profitable because of the great advance in the price

87. Mercator, No. 55, Sept. 29, 1713; The Guardian, No. 170, Sept. 25, 1713.

of these imports between their purchase in India and the Company's sales in London:-

"Was ever such a Cheat put upon the World as this! to argue a Profit to the Nation because of the great Price we give ourselves for such a Thing! ... If they had said, that the East-India Company, and the Government, and the Navigation, are Gainers, they had said true: But who do they get it of or from? ... Is it any more to the Publick Stock of the Nation, than putting the Hand into one Pocket, and taking out the Money to put it into the other Pocket? We may as well say, the publick Stock of the Nation is Gainer by the Land-Tax, as by the Tax upon Callicoos: For does not the Consumer pay all Duties? ... Is not all that is advanc'd upon the first Cost of the Callicoos, paid BY the People TO the People? Is the General Stock advanc'd one Shilling by it, or by any other Home Consumption?

All Increase of the general Stock is from the Produce at Home to the Market Abroad: What comes from the Market Abroad to the Consumption at Home, is all so much sunk out of the publick Stock, except only what might be gain'd by the Export with which it is purchased: Which, in this Callicoe Case, is nothing at all, Money being their only Export."

The woollen manufacture was "all meer Gain to the publick Stock," being the exact reverse of the East India trade in textiles.

"Every 3 l. Sterling, laid out in Wool, and manufactured into Cloth, that Cloth sent into Turkey, visited there in Raw Silk, and that Silk imported again into England, ... produces above 36 l. Sterling ...

This, now, is every Penny clear Gain to the national Stock, because the Labour, the Navigation, and all the Charge of it, is paid for by the Sale Abroad, and the Value is return'd Home.

1. The Wealth of Nations, Book I, Chap. 6, 1776 (1779); in reprints of the original edition, ed. J. D. Moore, 1906, p. 171.
2. J. D. Anderson, 'The Navigation of Trade and Manufacture in 1700', *Journal of Economic History* (1941), pp. 21-4.
3. *Journal of Economic History* ... 1941, pp. 21-4.

If we were to come to reckon forward, as this Man does, and add the further Manufacturing of the Silk, and bringing it to the Mercer's Shop, it would amount to near 50 l. raised from 3 l. But this would be wrong; for this Part is no Increase, because 'tis all paid by ourselves; ...

... Even this three Pounds Value in Wool is clear Gain to the Nation also; ... so that, indeed, the 36 l. is raised from nothing at all, and costs the Nation nothing, but just so much Provision as was consum'd by the labouring People employ'd to manufacture it." (88)

As Mr. H. H. Anderson showed, Defoe was never able to resolve the paradox of the dependence of trade on luxurious living and even on vice. (89) His condemnation of drunkenness in early works such as "Reformation of Manners" and "The poor man's plea" reappeared throughout his writings, (90) but he found it increasingly difficult to reconcile his Puritan views with his appreciation of the number of people employed in the branches of trade which ministered to vice or vanity. True to his conviction that the development of English trade had been set in train by the conscious policies of the Tudor monarchs, particularly Henry VII and Elizabeth, he maintained that Henry VII had advised his son to impoverish the nobility by encouraging extravagance at court, "to keep himself rich, and make them poor" so that they were glad to exchange their former independence for "Places and Sallaries under the Crown." "'Tis certain that this new extravagance encouraged Trade; and that Money, that formerly was spent in the Country in building Castles, storing up Arms, and furnishing Troops, being now

88. The Manufacturer, No. 20, Jan. 6, 1719 (1720); in reply to 'The British Merchant' No. 7, Dec. 22, 1719.

89. H. H. Andersen, 'The Paradox of Trade and Morality in Defoe,' Modern Philology (1941), pp. 23-46.

90. A True Collection ... Vol. I, pp. 89-93, 291-293, Preface to 'The True-born Englishman'.

spent in Ruffs, Ribbands, Toys and Trifles, usual in the Gaieties of Dress and Equipage, fill'd the Town to be sure with the little useless Trades depending upon such Fopperies; and this is the poor amends the Extravagances of great Families brings to Trade." Although the moralist in him could speak of "the little useless Trades," the practice had continued under the Stuarts so that "the Gaiety and Splendour of the English Court" had reached such a pitch and was "extended by long practice to the whole Nation, that to put an entire stop to it, would ruin Thousands of Families, and be a prodigious Shock to Trade." "Thus by degrees we have brought Vice and Extravagance to be absolutely necessary to Trade; and People become Advocates for the Devil, meerly to save them selves from starving. ... What a mighty Prospect of Reformation must this shew us, that whenever we come to reform our Manners, we shall ruin our Manufactures; ... this is just as if we should forbid our Magistrates Punishing Drunkenness; for fear of lessening the Excise; and Encourage all manner of Excesses, to raise the Customs upon Wine; such helps to Commerce as these are Fatal to the general Good." (91)

In this, and the previous issue, Defoe was preparing his readers, many of whom would no doubt be Puritan tradesmen, for an attack on the practice of public mourning which threatened "to blow us all up in Trade." As so often, his moral reflections, although natural in him, seem to have been intended to disarm opposition to the arguments which he was about to advance.

"What may be said to the thing as a Vanity or Criminal Luxury, indeed I do not determine here; but speaking of Trade, Abstractedly consider'd, ... a Limitation of Fashions, would be Ruinous and Destructive, not only to the particular Tradesmen, whose Employment lay in some Manufactures that were more then ordinarily affected by it; but to Trade in general, to the Gross of the Consumption and to the General Expence." He proceeded to argue that changing fashions were an essential foundation of the clothing trade. "In Scotland, in Spain, Portugal, and other Foreign Parts, where their Habits are National, known, constant, ... they never arrive to any considerable Magnitude in Trade; the reason is plain, every one knows what to wear, ... the Cloths thrown by in England, not for their being worn out, but meerly for their being out of Fashion, is incredible, and perhaps are Equivalent to the general Cloathing Expence of some Nations." The excessive number of public mournings had made black seem to be "the Universal Mode, and all the Trades which depended upon Fancy, Fashion and Gayety of Habit, began to be Threatned with a kind of Banishment." (92) He complained that when the country had only recently gone out of mourning for William III, a period of six months had been ordered for the Duchess of Holstein, "a Lady not one in 40 so much as knew by Name" with the result that the individual mercers and traders in lace had as much as £10000 in idle stock on their hands. He claimed that it was a "very Modern Custom" and begged the Queen to decree that no mourning for foreign princes should

last any longer than a month. (93) As pride and vanity were still to be found "in the Black Garb of a seeming Mourning, and the Evil not a jot Cur'd, it would be a Novelty of Nonsense, to keep the Vice, and lose the Trade too." The further arguments which he adduced against this "Unhappy Humour" show some of his characteristic economic ideas.

"2. These Mournings are particularly destructive to some Trades more than others, and no equivalent Advantage to any; ... a General Blow to Trade is felt by all the Parts, and every one bears their Share with the more Ease; ... being in it self a Lessening the General Expence, which is the Life of Trade.

3. The Woollen Manufactures worn in these Mournings are so small, compar'd to the Detriment it is to other Branches of Trade, That it is not worth Naming: On the other hand, The Lessening the Consumption of Silk, Silver, Thread, Hair, and other Foreign Goods, for which our Woollen Manufactures are exported, make it plain that these Mournings are in their Consequences fatal to the Woollen Manufacture in General.

6. The Condition of the Poor, who had their Employments and Subsistences under these Trades is most sad and deplorable ... the particular Advantage to the Nation by some of these Employments, in setting to work Children very young, Women, and impotent Persons, which cannot be done in other Works, exposes them to terrible Distresses."

Finally, he estimated that "by modest Computation, above an Hundred Thousand Families of Poor" were employed by these trades (94) and he hoped that trade would "return to its Native Channel." (95)

93. Ibid, (No. 13), p. 50.
 94. Ibid, (No. 12), pp. 46-47.
 95. Ibid, (No. 13), p. 50.

The case against public mournings did not involve Defoe in any moral dilemma, but it was far otherwise when he came to discuss the probable results of introducing sumptuary laws against extravagances in dress or furnishings or of enforcing a reformation of manners for which he had earlier campaigned. Mr Andersen pointed out that he was able to discuss the economic consequences of a proposed policy or of new trends in trade by completely divorcing the argument from any ethical considerations that might be involved. "Abstractly consider'd" was one such phrase by which he separated trade and morals, but a more frequent formula was to speak "in the Language of Trade," (96) as in the following extract.

"... when we talk of Superfluities Respecting the Health, Luxury, Vanity, Pride, Expense, and perhaps Morals of a Nation, there are many Things which it might be Prudence in a Government entirely to prohibit, and others which it were Wisdom to Discourage to the utmost.

But I am not now about Reforming your Manners and Morals, but Regulating your Trade, and if I may speak in the Language of Trade, I must bring in your Vices, and acknowledge some which are really Vices, to be vastly Advantageous to the Common Wealth: Your Pride I bring in carrying on your Trade, and your Luxury to be the chief Support of your Commerce; the Fop, the Beau, the Drunkard, the Dancing-Master are all Fellow-Labourers in Employing the Poor, Propagating our Manufactures, Increase of Commerce, and Encouraging Navigation: How many Thousand Families are daily Employ'd by the Nameless Impertinences, and Numberless Retinue of the Toilet? What Fleets at Sea, what Families on Shoar, what Seamen, what innumerable Brewing and Adulterating, Rabbles of People are Employ'd in the Manufacture of the Bottle, and carrying on the Wine Trade.

Since then our Vices are by Necessity, thus made Vertues in our Trade, we must allow these Things we call Superfluties, to be Necessaries in Trade; and it is manifest, that he who would go about to Reform effectually, the common Vices and Luxury of the Nation, at the same time begins the Ruin of our Trade; and by that Time he has brought us to be a Nation of Saints, will be sure to make us a Nation of Beggars - For, in short, if you were to reduce Trade to nothing but the Necessary Things of Life, you would Disband such a Number of our People from their Lawful, as they think them, Employments, that their Number would swallow up the rest.

What would become of our Portugal Trade, Spanish Trade, and Italian Trade, if no Wines were to be Imported, but what as formerly, was sold by the Apothecaries? What of our Virginia Trade, if no Tobacco was smok'd, but as Physick, for Necessity? What would become of our Collonies, if Sugar, Chocolate, Ginger, Pimento, and the like, of all which we have no Necessity, were Prohibited?"(97)

Again it is necessary to look at these words in their context, for these views were part of a campaign which he was conducting in the 'Review' against any further taxation of trade to meet the rising cost of the war against France. It must also be remembered that he constantly emphasized that trade was the source of all improvement in the conditions of life, that "Trade is the universal Fund of Wealth throughout the World." Trade not only "sets all the Wheels of Improvement in Motion" but "the Prosperity of a Nation rises and falls, just as Trade is supported or decay'd." (98) He contrasted the flourishing trade of western Europe with the state of commerce in the Moslem world, especially in the territories controlled by the Turks who were "Enemies to Trade."

97. Review, Vol. VIII, (No. 184), pp. 739-740.

98. A Plan of the English Commerce, pp. 10-14.

"What an Article in Trade is that of Drink in England, ... And what a Chasm would it make in Business, if we were to take out the Barley first, then the Malting it, and consequently the Beer, the Ale, the Malt-Spirits, and the Brewing, and Distilling them all, and last of all the Retailing? How many Millions in this Nation must stand still and starve? Then take out the Wine and Brandy from abroad ... What a Stagnation of Trade and of Navigation it would be, ... In a word, if this Nation were at once to ... drink water as the Turks do, what would be our base as to Trade?

... take away Periwigs, Coaches, Hats, Gloves and Liveries, of all which they know not the use of at Constantinope, what a Hole would it make in the Trade at London, or at Paris, or at home?

Doubtless as Luxury in these Parts of the World creates Trade, so the temperate Way of living in these Parts prevents a great deal of the Commerce among them. If ... Europe were to live as the Asiaticks do, Trade would be reduc'd to a very low Ebb indeed: and I question whether we should have so much Trade in proportion to the Numbers of our People, as they have." (99)

The Turks had no colonies to supply them with exotic commodities and Constantinople did not have the 100000 coachmen, footmen, pages, valets and other liveried servants that Defoe estimated were to be numbered among the 1,500,000 inhabitants of London. As the British capital would have to disperse two-thirds of its citizens if the scale of living were to be reduced to the Turkish pattern, so he thought that two-thirds of the world's shipping was employed in the exchange of luxury goods, "for the few Articles which mere necessity obliged one Nation to purchase from another were very few." If the fishing vessels and the coastal shipping employed in the transport of coal, salt and corn were deducted he thought

that almost all the remaining British ships were engaged in the carriage of luxury cargoes:

"What necessity have we of all our East-India Trade? of the Callicoes, wrought Silks, raw Silk, the Tea of China, the Coffee of Arabia, the Diamonds of Golconda and of Borneo, the Oriental Pearl of Ormus and Gamberoon, the Emeralds of the Great Mogul's Country, the Indigo of Lahore, the Saltpeter and the Dye-stuffs of the rest, and the Pepper likewise of Sumatra ... nay, even the Spice itself, I say what is the necessity of them all?

Even the Tobacco of Virginia, the Sugar and Melasses of Barbadoes, the Cocoa and the Rum of Jamaica. The Wines, the Fruit, the Brandy, the Lace, the Cambricks and other fine Linens from France, Spain, Portugal, Italy and Flanders. The fine Oil from Lucca.

In a Word, our Navigation is chiefly employ'd upon the exorbitances of Life; such as we call needful for Trade, but in the main are not necessary to the being of Mankind, no not for their well-being neither; ... and are all now thought extraordinarily advantageous to the publick, as they encrease Trade; so that to promote Trade is a sufficient defence now, of any branch of Commerce however tending directly to the propagating Vice; like laying a Tax upon Cards and Dice, which seems to be a Tacit Liberty to the use of them, ..." (100)

Defoe was thinking primarily of England's imports and re-exports and of oceanic commerce rather than inter-European trade. The exceptions which he made for fishing and for coastal shipping would apply to much of European seaborne trade but he ignored the large tonnage required by timber. Some English cloth exports could be regarded as luxury goods in continental markets and his repeated emphasis on their superior quality suggests that that is how he regarded them, but the increased output of the West Riding was largely of

cheaper varieties. Cloth, however, did not take up much shipping. With these qualifications, his picture of world trade before the industrial revolution created a large demand for imports of manufactures, raw materials and basic foodstuffs for an increasingly urban population, is not inaccurate. (101)

Defoe could not repress his satisfaction at the increasing prosperity in England which was demonstrated by the growth of the liquor trade. He gave figures of the wine imports into London in 1721, added one-third more for the outports and arrived at an estimate of £3 million per annum for the value of the wines sold in Great Britain. He calculated that 3,300,000 quarters of malt were made in England and that most of this was brewed into beer. Noting that Rostock was famous for the great quantity of beer brewed there, he said that he had been told that two London breweries each produced a thousand barrels a week and together brewed more beer than the German city. He was pleased at the development of distilling, "a new Trade in England," which was "increas'd to a prodigious degree" as a result of the prohibition of imports of brandy from France followed by the high duties of £25 per tun. Since the distillers had "found a way to hit the palate of the poor, by their new fashioned compound water called Geneva," the common people had lost their taste for French brandy and a much smaller quantity was now smuggled into the country. (102)

101. Professor R Davis has pointed out that imports usually offered greater profits to the merchant than exports and that English imports were at first chiefly luxuries. R. Davis, English Overseas Trade 1500-1700, Economic History Society Studies in Economic History (1973).
102. The Compleat English Tradesman, Vol. II, ~~Part II~~, pp. 89-99.

Indeed the best English spirits were not easily to be distinguished from French brandy. (103) Ignoring small beer, he reckoned that the total value of all the liquor consumed in the British dominions was £8 million. (104) "I have heard much of the excessive drinking among the Dutch and the Germans, ... but I believe I may venture to challenge all the world to show the like quantity of beer, and ale, and wine, and cider, and brandy, arrack, and geneva, and other strong waters, consumed in so narrow a compass of land, or among an equal number of people, as is now in this our country of England." (105)

Although as a Puritan, he condemned any form of music in church services, Sunday recreations as permitted by the "Book of Sports," masquerades, balls, playhouses and gaming houses, Defoe was no Malvolio. (106) His energetic disposition and zest for life had made it difficult for him to concentrate on his business career. He claimed to have been "no despicable performer on the viol and the lute" in his younger days and the 'Tour' indicates that he had attended the races at Newmarket. (107) He had imported wine and frequently shows his extensive knowledge of the trade. He used the pages of the 'Review' to advertize the wines of his

103. A Brief Case of the Distillers, (1726), p. 16.
 104. A Plan of the English Commerce, pp. 145-154.
 105. The Compleat English Tradesman, II, p. 98.
 106. The Sincerity of the Dissenters Vindicated, (1703) p. 18;
The Representation Examin'd (1711), pp. 5-6; Review, Vol. VI
 (No. 65), p. 257; The Fears of the Pretender, (1715)
 pp. 19-26; A Friendly Epistle ... (1715) pp. 19-37;
The Family Instructor (1715) p. 89.
 107. J. Sutherland, Defoe, p. 17; A Tour, (Everyman edn.,
 Vol. II, p. 148.

friend, John Hellier, and his partner Brook claiming that nothing sold now, even in the common taverns, but Brook and Hellier and that a glass of Brook and Hellier was "the general Entertainment." (108) Although he invariably condemned drunkenness, he acknowledged that French brandy was "a wholesom and well extracted Spirit." (109) He had earlier referred to "the Pleasures and Conveniencies of Life, commonly included in that ill-natur'd Term Luxury" and said that these included "a vast Variety of the luxuriant Demands of Life ... and a vast endless Catalogue in my Lady's dressing Room, from the Velvet Slippers to the Patch-Box; all which are become so necessary in our Trade, that speaking in the Language of Trade, our Vices are become our Vertues, and our Extravagancies as necessary as our Essentials." (110)

His only solution to the paradox of the close connection between luxury and trade was to urge moderation which would still provide a satisfactory basis for a flourishing trade, but he seems to have been ready to condone extravagance and even vice rather than contemplate a reduction in the volume of business:

"How many Wines and Brandy wou'd be imported? how much Malt made, and Beer brew'd, and Spirits distill'd, and Coffee and Tea drank, if all Luxury and Intemperance were laid aside, ...

108. Review, Vol. VIII, (Nos. 76, 77 and 80), pp. 306-307, 310-312, 322.
 109. A Brief Case of the Distillers ... p. 12.
 110. Review, Vol. VI, (No. 34), p. 136.

... what a dreadful Blow wou'd this Reformation be to Trade? however necessary, however call'd for by Heaven and Earth, however requir'd for the health both of Soul and Body, that's not the question: But it wou'd be a clap of Thunder to the Nation: As it wou'd immediately save above a Million of Money, so it wou'd immediately starve above a million of People.

How many Ale-houses must shut up, how many Bushes be taken down, what an army of Drawers and Tapsters, that scum of the Rabble, wou'd immediately go a begging? what regiments of Gaugers and Excise-men, Tide-waiters and Searchers, and all the Mob of Custom-house and Excise Officers wou'd be disbanded, and left to the Grave and the Gallows? and what an innumerable throng of Women and Children, the wretched dependents of those miserables, wou'd come to the Parish for Bread?

And what must be done in this case? tis a dreadful story; that's the truth of it, the Nation's Prosperity is built on the ruin of the Nation's Morals; ... for if they shou'd reform they are undone; upon the giving up their Souls depends the keeping up their Bodies; and if you put a stop to the Excesses of the Age, as you lessen the Revenue, so you ruin the People; in short, Virtue would be really, in the very Letter of it, a SINKING FUND, for it wou'd in a Word sink the value of many of our most important Funds; and ... wou'd sink the value of Lands too ...

What a poor Nation must we have been if we had been a sober, religious, temperate Nation? ... the wealth of the Country is rais'd by its Wickedness, and if it shou'd be reform'd it wou'd be undone.

Nor is this our case in our Liquors only, and in our gaities of Dress, but in almost every thing else; ... was Eating and Drinking reduced to things needful only, and to needful quantities too, we shou'd be a most miserable Nation as to Trade, I won't say but more of our People wou'd dye good Christians, and many of them live longer too, as well as better than they do. But we shou'd have no more Trade than they have in Swedeland and Norway, comparatively speaking; and our moderation and temperance, practis'd first to reform our manners, wou'd be soon necessary to us, for want of Money to live better.

It must be confess'd, Trade is almost universally founded upon Crime ..." (111)

Defoe could never resist the chance to demonstrate a paradox and, in common with his contemporaries, he was very conscious of an employment problem. (112) Mr. Andersen suggested that Defoe may have been trying to help his middle class readers to overcome their moral misgivings about their trading activities when these consisted of supplying the taste for luxuries.

"Trade, take it in the first Person of the Tradesman, does not introduce the Luxury and Extravagance of the people; ... But the Vice is in the breast of the vicious; the Pride is in the inside of the Beau, while his Embroideries, his Laces, his fine Clothes only flutter in the Wind from the outside of his Carcass. Now the Tradesman indeed takes the advantage of the Fop, and puts in to furnish him with Gaieties, and fine Feathers: But the Tradesman does not bid him turn Peacock, and strut about to shew and spread his Plumes.

... it is not the Monkey that plays the Man, but it is the Man that plays the Monkey; ... but still Trade is in the right of it to take their Money, as it employs a great number of People; and thus it frequently appears that the extravagant Pride of the Age feeds Trade, and, consequently, the Poor."

The unfortunate alternative was that the gallant would buy abroad, which was "quite contrary to the Reason of Trade." The beau and the fine lady would not only send to France for their silks, brocades and velvets, but would go to France for them rather than want them. (113)

It is possible that Defoe's moral reflections on luxury were rhetorical and subconscious concessions to the prevailing

112. Infra, p. 112-113.

113. The Compleat English Tradesman, II, pp. 119-121

ideas of morality, the better to defend the economic benefits which these trades conferred on the nation as a whole, but there are many indications that Defoe did not cease to be a moralist. In any case, whether his moral strictures were genuine or not, the evidence provided by his judgement of economic advantage shows that he looked on the luxury trades as excrescences compared with such basic activities as the manufacture of woollen cloth. Thus in January 1712, he began to note the effects of the war on the trades of London, at a time when he reported that the poor were "Starving and Ruin'd" and that three years supply of wool was waiting to be manufactured although the price had fallen by one-third:

"To see how real Trade has abandon'd your Streets, and Trifles and Toys supply the Places; 'tis a true Observation, that Men grow shabbily gay, as they grow poor, not as they grow Rich; ... see how Trumpery and Gauzy Trifles fill up the Vacancies, the Gaps and Intervals, from whence your departed Substance of Trade is fled.

There's the fine and famous street of Cornhill since I remember, fill'd with Wholesale-Men and Rich Shopkeepers, ... now you may see there, two or three most famous Perriwig-Makers, five or six spacious Coffee-Houses, three or four Illustrious Cake-Shops and Pastry-Men, one or two Brandy-Shops, and the like; and these not in the small Shops, or meaner parts of it, but in the Capital Houses, of great Rents and large Fronts, in the very prime of the Street." (114)

A year later, he lamented the great increase in the imports of coffee, tea and cocoa, with whole ships "loaden entirely with Coffee" and 300,000 pound of tea imported at a time, that he doubted if any country in the world could show such

an increase in customs revenue, "raised from three such Foreign Trifles, the Importation of which, within this threescore Years, did not all together pay Ten Pound a Year Custom." He continued:

"I am now to examine a little the real Advantages these mighty improv'd Trades are to us, how many Families, and what Multitudes of Hands they employ, for these are the Things which recommend any Article of Trade, and make a Manufacture valuable to a Nation.

... Let any Man who remembers the Glorious State of our Trade about 30 or 40 Years past, View but the Streets of this Opulent City, and even the Exchange of London, ... it must of necessity put him in mind of the 3 Ezra 12 where the Ancient Men, who had seen the Old Temple, wept when they saw the Foundations of the New: ... Here, in the room of a Trifling Banker or Goldsmith, we are supply'd with a most Eminent Brandy-Shop (Cheapside) There in the room of Ditto, you have a flaming Shop for white Tea-pots, and luted Earthen Muggs (Cornhill) ... whence we see the most noble Shops in the City taken up with the valuable Utensils of the Tea-Table ... Two Thousand Pound is reckon'd a small Stock in Copper Pots and Lacker'd Kettles, and the very fitting up one of these Brazen Peoples Shops with fine Sashes, etc. to set forth his Ware, costs above 500 l. Sterling, which is more by half than the best Draper or Mercers Shop in London requires.

The general Furniture of a Druggists Shop being now three Bales of Coffee, twelve Boxes of Chocolate, six large Canisters of Tea, and an hundred and fifty empty Guilded Boxes.

... How do Pastry-Cooks and Perriwig-Makers, Brandy-Shops, and Toy-Shops, succeed Linnen-Drapers, Mercers, Upholsterers and the like, a Hundred Pound a Year Rent for a House to sell Jellies and Apple-Pies; Two hundred POUND to set up a Brandy-Shop, and afterwards, not a Hundred POUND Stock to put into it. ... View the famous Church-Yard of St. Paul's! where so many Aldermen and Lord Mayors have been raised by the Trade of Broad Cloath and meer Woolen Manufactures; and on whose Trade so many Families of Poor always depended, that Sir William Turner used to say, his Shop employed fifty thousand Poor People! What succeeds him? A most noble, and to be sure, a much more valuable Vintner's Warehouse, Anglice, a Tavern, more Vulgarly, a Bawdy-house. And the next Drapers-Shop, a Coffee House, What takes up the whole Row there? and supplies the place of Eighteen

or Nineteen topping Drapers? - Who can but observe it! Cane Chair-makers, Guilders of Leather, Looking-glass-Shops, and Pedlers or Toyshops: Manifold improvement of Trade! and an eminent Instance of the Growth of our Manufactures."

He asked any man who thought that trade was still expanding to walk through the principal shopping streets such as Cheapside, Cornhill, Leadenhall street, Fleet-street and the Strand and observe the 317 "large Capital Shops" shut up "and then let him set aside all the Pastry-Cooks, Coffee-houses, Perrywig-makers, Cane Chair-Men, Looking-Glass Shops, Tinkers, China, or Earthenware-Men, Brandy-Shops, and the like; I mean such as deal in Baubles and Trifles, and whole Trades used to be found only in Lanes, and Allies, or Back-Streets, and By-Places, and are fittest for Such Places." (115)

Three weeks later, he contended that while trade had never been more depressed, the number of bankrupts greater or the prices of food higher, "the Pride, Luxury, the Expensive Way of Living, the costly Furniture and Ostentation, both in Equipage, Cloaths, Feeding and Wearing, were never greater in this Nation." He admitted that there had been a welcome improvement in the dress of both sexes so that "the Ladies never Dress'd so Modest; nor the Gentlemen so Grave and Becoming." Whereas there had formerly been 70,000 ribband weavers in Spitalfields alone, he did not believe there were now "half as many Hundred in England." He recalled "the

naked Shoulders and Breasts, the monstrous Towers of Hair, the Heads three Story high, and the like of the Women: The Pantaloons, the Shoulder-Knots, and the Shoulder-Belts, of the Gentlemen" but while both sexes had tired of those follies, he could not acquit them of excess "in the Richness and Costlyness of Cloaths." He recounted how he had happened to come upon a fire in a citizen's house, "in none of the Wealthiest part of the Town," where he had been astonished at the costliness of the furnishings which were being saved from the flames. Out of a shopkeeper's house came "Velvet Hangings, Embroidered Chairs, Damask Curtains, Plumes of Feathers; and, in short, Furniture equal to what, formerly, suffis'd the greatest of our Nobility ... far better than any Removed at the late Fire, at the French Ambassadors." A woman in a house opposite to the fire, which was in great danger because of the wind, was much more concerned about salvaging her fine clothes than about the safety of her children, one of whom was rescued by a maid. (116) Defoe may be pardoned the satisfaction, which he could not conceal, at the rise in the standard of living of his fellow London middling citizens which is reminiscent of Pepys's similar feelings in September 1666. At the same time he was disturbed by the recent increase in peruke-makers to 30,000 in London and its suburbs, "a thing little known" fifty years before, and he also attacked "all the frightful gewgaws of funeral pomp" and the "universal custom of wearing excessive fine linen, sometimes to the extent of two fine holland shirts of 5 or 6 shillings per ell each day (117).

116. Ibid., (No. 53), pp. 105-106.

117. The Compleat English Tradesman, II, pp. 168-169.

When Defoe condemned luxury, however, he was not consistent. Although he regarded the "excesses of eating and drinking" as morally more reprehensible than "the exorbitances of dress," he found the sins of gluttony more acceptable from the economic viewpoint than the extravagance occasioned by pride. Distilling and brewing consumed home-produced corn, and imports of wine could be taken as returns for exports of cloth, whereas the silks and velvets might be imports of foreign manufactures and even calicoes printed in England threatened the sales of English cloth. Because he always maintained that drunkenness was the Englishman's distinctive national vice, (118) when he wrote a pamphlet in support of the distillers, he tried to exclude any moral objections which might be brought, by emphasizing in the preface that he was not making any apology for vice, but merely discussing distilling as a trade. Geneva was "a good wholesome Malt Spirit, if rightly prepar'd, wrought up with Juniper-Berries; ... really physical." If the people chose to "destroy them selves by their own Excesses, and make that Poison" which was otherwise "an Antidote," it was the business of the magistrate to deal with them. As for the charge that gin was "destructive to the Health of the People," he dismissed it as "weak Pretences", which seemed "only fit to be jested with." (119) Two years later, however, he had so far revised this opinion as to declare that gin was distilled from the worst of the malt which did not make good beer and was made "into a worse Liquor, and apply'd to worse uses, which

118. The True-born Englishman, Preface, A True Collection I, pp. 15-17.

119. A Brief Case of the Distillers (1726), pp. 10, 11, 24.

it is not my Business at this Time to talk of, and which it would be better, were it entirely forgotten (if that could be) than spoken of at all." (120) Although he spoke of innkeepers as "sober, grave and substantial Tradesmen," he declared that there was "abundance of scoundrel, sorry, griping, sharpening Fellows, ... engaged in destroying the morals of the nation, and the health and livelihood of the People." Therefore, he wished "that none but decayed housekeepers of sober characters, or widows, with families to bring up, should be licensed to keep coffee-houses or victualling-houses, especially in the country towns and villages" and that the number should be limited everywhere. (121) His former praise of gin referred to the best Holland gin and he hoped that the English distillers would produce a spirit of the same high quality to displace the inferior Dutch gin which he claimed was being made for the English market. In 1728, the obvious failure of his hopes produced a violent attack on the "Abuse of that nauseous Liquor, call'd Geneva" which was increasingly affecting the London working class:

"... so far are our common People infatuated with Geneva, that Half the Work is not done now as formerly. It debilitates and enervates them, and they are not near so strong and healthy as formerly. This accursed liquor is in itself so diuretic, it overstrains the parts of generation, and makes our common people incapable of getting such lusty children as they used to do ... the women, by drinking it, spoil their milk, and by giving it to young children, ... spoil the stomach, and hinder digestion; so that in less than an age, we may expect a fine spindle-shanked generation.

There is not in nature so unhealthy a liquor as Geneva, especially as commonly sold; it curdles the blood, it stupefies the senses, it weakens the nerves, it spoils

120. A Plan of the English Commerce, p. 148.

121. The Compleat English Tradesman, Vol. II, Part II, p. 97.

the eyesight, and entirely ruins the stomach; nay, some stomachs have been rendered so cold by the use of Geneva, that lamp spirits have not been a dram warm enough for them. Surely they will come to drink aquafortis at last!

On the contrary, our own malt liquors, especially common draught beer, is most wholesome and nourishing, and has brought up better generations than the present: it is strengthening, cooling and balsamic; it helps digestion, and carries nourishment with it; ... the honest part of the faculty deny not the use of small beer, well brewed, in fevers. I, myself, have found great benefit by it, and if it be good in its kind, it is the finest jalap upon earth.

If this Abuse of Geneva be not stopt, we may go whoop for Husbandmen, Labourers etc. Trade must consequently stand still, and the Credit of the Nation sink ..." (122)

It is significant that his chief criticisms are directed towards the effects of gin on the work done by labourers and on the working capacity of future generations of workmen. Also he had prefaced his attack on gin drinking by deploring the increased use of three foreign imports: "Our very Plough Fellows drink Wine now-a-days: Our Farmers, Grasiars, and Butchers, are above Malt-Liquors, and the wholesome Breakfast of Water gruel and Milk-pottage is chang'd for Coffee and Tea." (123)

The penultimate section of the "Compleat English Tradesman" shows explicitly that Defoe's chief concern in his criticisms of the luxury of the age was the extravagances of dress rather than the abuse of alcohol. This chapter has the heading, "Of such Tradesmen who by the necessary Consequences of their Business are oblig'd to be accessory to the Propagation of

122. Augusta Triumphans (1728), pp. 45-46.

123. Ibid, p. 43. In Second Thoughts are Best (1728) he suggested that gin-shops should be licensed like alehouses, as there was now as much gin as ale consumed, and that both should close at 10 p.m.

of Vice and the Encrease of the Wickedness of the Times, and that all the Immorality of the Age is not occasion'd by the Ale-house and the Taverns." He tried to remove any scruples which an honest vintner or victualler might have about being "a Tool in the hand of the Devil" while following his lawful calling, by observing that he could keep as regular a house as any other trader and that if he did not, the fault was his own and not the nature of his trade. But the retailer of the sumptuary trades was more directly involved in the promotion of vice and might even be "the Instigator" or "Tempter." This was undoubtedly the case if the tradesman racked invention "to bring something into the World more than ordinarily whimsical and extravagant" and tried to get his new thing "call'd by his own Name" so that he set up "for a Fashion-Monger." He was guilty of encouraging the follies of the gentry which had "a far greater tendency to debauching the Morals of the People, than the Ale-house and the Brandy-shop; for the Luxury of the Rich is ... much worse than the Drunkenness of the Poor; and has a Tendency to much worse things." (124) The danger presumably was the general extension of a taste for luxury to all classes in the state: "While the poorest Citizens live like the Rich, the Rich like the Gentry, the Gentry like the Nobility, and the Nobility striving to outshine one another, no wonder that all the sumptuary Trades increase; that instead of ten or twelve Coachmakers in the City, and not quite so many at the other end of the Town, we have the Company of Coachmakers incorporated, and whole Streets of them set up together. (125)

124. The Compleat English Tradesman, II, Part II, pp. 147-153.
 125. Ibid, Vol. II, Part II, p.167.

Yet to those who advocated the historic remedy for excessive luxury, namely sumptuary laws, he cried, "Hold there; you may restrain their Extravagance, but you can't promise to restrain their Pride; the gay Dress may be forbid, yet the gay Temper may remain; so you ruin your Trade and keep your Vice. Trade takes the benefit of all your Extravagances, Trade gains by the Vice, but Trade does not make the Vice; that would be to make Trade criminal in its own nature; and no honest Man could then be a Tradesman, no religious Man could be a Mercer, or a Lace-man, or a Taylor ... a Tradesman could not be an honest Man." (126)

Defoe's only solution to his dilemma was to urge moderation and, in particular, that the English tradesmen should not only promote their own woollen manufactures but wear them in their families and eschew the imports of foreign wares which only served their vanity. (127) The competition which English cloth exports were meeting in the traditional north European markets was probably uppermost in his mind, but while his exercise in casuistry reflected his estimate of the balance of economic benefit to the nation, he never ceased to be a moralist. Passages in which he seems to condone luxury developed from his innate love of paradox, from his journalistic habit of presenting any argument as vigorously and as graphically as possible and from his despair of any prospect of reform of the excesses of

126. Ibid, pp. 121-122.

127. Ibid, pp. 175-176.

the day since wealth and luxury always increased together. In the conclusion to the "Compleat English Tradesman," while he disavowed any intention to preach religion instead of trade, his attack was still directed against conspicuous consumption of every kind:

"It is alledg'd, that if Vice is, as it too plainly appears, so much the support of our Trade, when I urge you to promote and support the Trade of the Nation, I tacitly insinuate, that we must Encourage our Vice for the Encouragement of our Trade; but this is such a Corrupt use of a just reasoning, that it needs no great art to overthrow it.

I make no doubt, but that notwithstanding all that has been said of our Vice propagating our Commerce, yet our Trade might be supported, our Tradesmen be kept employ'd, and their Shops still be open'd, tho' a Time of Reformation were to come, which I doubt is but too far off.

Perhaps it wou'd at first give a turn to the present situation of Home-Trade, and there might be some little shock given to those Shops and Shambles of Vice, the Victualling and Liquor Trades; but God forbid, that we shou'd be understood to prompt the Excesses of the Age, in order to preserve and encrease that particular branch of Commerce.

I doubt not to shew the World, that we are not obliged to run into Extremes and Extravagancies in Dress to promote the Silk Manufactures, to have our poor People turn Sots and Drunkards, to promote the Malt and Brewing Trade, or the rich to support the Wine Trade; and so of other Madnesses which are the present Grievances of the Times.

The Wine Trade would still be very considerable tho' the Gentlemen abated their immoderate drinking, and went home now and then a little sooner, and a little soberer.

The Malt and Brewing Trades, the Distilling Spirits, and the Importation of Brandy, might still be very great Articles in our Trade, and altogether be very great supports to the Publick Revenue and to the Government, tho' perhaps not so great as they now are, if the number of Alehouses were a little less, and tho' the Gin-shops and Brandy-shops were very much

fewer than they are. Trade need not be destroyed, tho' Vice were mortally wounded, much less need we be oblig'd to encourage Flaming Luxury for fear of discouraging our Commerce, lessening our Revenue, or starving our Poor." (128)

Two years later, he again categorically condemned sumptuary laws as worse than the disease they were intended to cure. Stating that it was Britain's business to expand her trade to the utmost by all lawful methods, he added "even our Luxury or High-living, I do not mean our Drunkenness and Vice, is so essential to our Trade, that it were better continued." "A Set of Sumptuary Laws ... to reform our Extravagances in Equipages and Dress, House-Furniture, and Diet, would effectually ruin our Commerce, starve and leave unemploy'd our Poor, and reduce the whole Nation to a most deplorable Condition of Misery and Distress." (129) In the end, he was unable to resolve his paradox.

Although Defoe always argued that in the long term Britain's export trade was continuing to expand, he knew that there were times when it was very difficult to maintain overseas sales, as in 1711-13 when Britain was feeling the strain of the long war with France and in 1727-29 when strained political relations with Spain affected one of her most important markets. Most of his attacks on luxury were published during these two periods because, in general, he believed that it was the substantial trades which suffered most severely during a slump in trade, that a growing taste for extravagance and ostentation in eating, drinking and clothing was one of the symptoms of the decline

128. Ibid,

129. Some Objections ... Relating to the present intended Relief of Prisoners (1729), pp. 21-22.

of nations and that the trades which catered for these human failings expanded in the place of his basic manufactures.

He was always acutely conscious of the interruptions which war caused to commerce. "Peace is certainly the Right Hand of Trade ...," he declared, "It is by Peace alone that the flourishing and prosperous State of Trade is preserv'd, if not procur'd." (130) Similar statements recur frequently. "No War is just, but what is made for Peace." (131) "Every one knows that War is no Friend to Trade." (132) "Great-Britain is a Trading Nation, and trading Nations never covet War: Peace is a Friend of Commerce, and Trade flourishes under the Banner of the general Tranquility." (133) In 1706, when there was a possibility of an end to the Spanish Succession War, he had written in the "Review,"

"England is possess'd of such a vast Wealth, both in Trade, People, and Dominion, that she wants nothing to secure her being the greatest Nation in the World; but Peace - Union at Home and Peace Abroad, is all She wants; other Nations may thrive by Rapine and Devastation, Invading others and Tyrannizing at Home; but England thrives best by Peace.

If we have Peace, we can get Money by all the Nations in the World; Universal Trade pays Homage to our Manufactures; the Capital Stocks of our Merchants supplies whole Kingdoms ... the whole World wears our Cloaths, Employ our Poor, ...

... PEACE is the only Treasure we want, because ... 'tis the Key to us of all the Treasure in the World, of which by Trade we reap the most considerable share." (134)

130. The Advantages of Peace and Commerce (1729), p. 20.
 131. An Essay at a Plain Exposition ... (1711), p. 10.
 132. A Brief Deduction ... of the British Woollen Manufacture (1727), p. 12.
 133. The Evident Approach of a War ... (1727), p. 13.
 134. Review, Vol. III, (No. 70), pp. 278-279.

In October 1706 he toyed with the notion that trade might be carried on during a war, independently of the quarrels of princes, "without a Civil War in negoce." The natural hazards of the weather, rocks, sands and lee shores" were enough to make trade a lottery in which ten might miscarry for each one that succeeded. He even questioned the morality of reprisals for the damage inflicted on English trade by the French corsairs. It was a "most inconsistent Piece of Barbarity" ... "That because A.B. Rovers of Dunkirk, have robb'd me ... therefore I go home, and get an Order of Licence, call'd a Letter of Mart, and I go and rob Messrs X T Marseilles ... and pay my self the Damages out of the Estates of those, that living 500 miles off the Aggressor, know nothing of the Injury." This sentiment, however, did not affect his support of the war against France. Although the fortunes of war might turn against Britain and make the issue seem doubtful, his countrymen were able "to carry on the War for 20 years, and consequently to the End of the World" and even "grow rich and encrease by it." (135)

This was because the wealth which trade brought in its train made the trading nations much more powerful than those which had previously gained a reputation for military prowess, particularly in naval strength which enabled them "to carry the War home to their Enemies Coasts, however distant." This led him to assert, "if any one Nation could govern Trade, that Nation would govern the World; could it give Laws to the

Commerce, it would give Laws to the People." Dutch power had "increas'd with their Trade, and by the Assistance of that only" and the decline of Spanish influence had been "occasion'd by the Decay of their Trade, out of which they were every where driven by the Dutch." (136)

He was always conscious of the heavy British losses from French privateers. When, in 1701, he was urging war with Spain rather than with France, he declared, "They know very little of Trade, who are ignorant that the greatest advantage the French gain of us in a War, is in their Privateers surprizing so many of our Merchant Ships, which can never be avoided in a War, because of the great quantity of Shipping we employ in every Corner of the Seas, and the Impossibility of assigning Convoys to every Part of the World." Apart from the favourable position enjoyed by the "Jersey and Guernsey Men," Britain could do little in retaliation because of the relative smallness of French shipping. (137) "Why have the French so many more Privateers than we," he asked, "and why do they get so much by that Thieving Trade? The reason is plain, every corner of the Sea is full of our Ships ... but an English Privateer may Cruize upon the Ocean, three Months and not meet a Frenchman." (138) He claimed that he had had the honour or disaster of losing the first ship to be taken by the French in the Nine Years War, before it was in fact declared, and that the British losses were particularly heavy during the first three years of that conflict, amounting

136. The Advantages of Peace and Commerce, pp. 3-10.

137. "Reasons against a War with France ..." in A True Collection, I, pp. 195-196.

138. Review, Vol. III, (No. 70), p.279.

to more than 2000 sail. "Nothing could go to Sea almost, but it fell into the Enemies Hands," and New England suffered severely, especially the little town of Salem, near Boston, where the fishing fleet was reduced from a hundred ships to seven, "Ships were so cheap in France, that they lay up by the Wall ... and our Merchants frequently rebought several Ships from them, for half their Worth; as the 'Bedford' and 'India Man'. From this had developed the practice of "Ransoming Ships at Sea," the privateer taking a quarter of the value of a cheap, bulky cargo and releasing the vessel because it was not worth while to seize the prize. Because coal was as cheap in Dunkirk as at London this custom had been most prevalent with collier ships, yet the coal supplies of London had been seriously affected during this war. Seamen's wages, freight charges and insurance rates all rose "and all Foreign Goods in proportion." He estimated that the heavy losses from French privateers amounted to about £30 million in ten years, or about one-third of the total cost of the war. By contrast improved naval administration at the beginning of the Spanish Succession War had so reduced the losses from privateers that there was a possibility that Britain "would grow Rich" by the war but for the heavy fall in exports to Spain. So many French privateers had been captured that there were 5000 of their seamen in British prisons. (139) He returned to the danger from privateers when he was trying to prevent the breach with Holland during the peace negotiations of 1711-13 from widening into an actual conflict with our closest ally. He reminded his readers that in the last

Dutch war Britain had lost 2000 ships during the first year, that no part of British trade was "free from them or out of their reach" and that the collier ships from the Tyne were in ten times greater danger from the Dutch than from the French. (140)

It was for these reasons that he argued that while Britain's financial strength should make her "the least afraid of a War," she was "likely always to suffer the greatest Disadvantage in case of a War." "War to a Trading Nation is a Degree of Death;" he announced, "it is a strong Paralytick, it stagnates the Blood; ... And tho' our Trade, being the greatest without Dispute in the World, is therefore best able to support us in a War, yet our Trade too would suffer most by a War, ... because it is the greatest." (141) Therefore, peace and trade were "old Comrades and seldom part." (142) Yet in spite of this conviction that Britain's interests were best served by peace, until 1711, he was one of the most vigorous propagandists for the Spanish Succession War. He regarded both this war and the preceding Nine Years War as essentially just wars waged to preserve the European balance of power, to defend the Protestant interest in Europe and to safeguard the vital trading interests of Britain and Holland. (143) While "in general, no War ought to be made among Christians, but upon just and unavoidable Occasion," the government of Britain,^{or}_A of its Allies who were general traders, "must not be insulted, must not be

140. An Enquiry into the Danger and Consequences of a War with the Dutch (1712), pp. 4, 10-11.
 141. The Advantages of Peace and Commerce, p. 24.
 142. Review, Vol. IX, (No. 44) p.
 143. See my M.A. Thesis, "The Political Ideas of Daniel Defoe" (1961), pp. 167-173.

ruin'd, much less their Commerce invaded and supplanted." "Their Power is always exerted to protect their Trade;" he announced, "'tis their Business to keep the Seas open, ... and ... if this cannot be done by peaceable and quiet Means, they must do it by Force, and so they are as ready for War as other People." Invading a nation's commerce was invading its property. "Our Interest is our Trade;" he continued, "and our Trade is, next to our Liberty and Religion, one of our most valuable Liberties; if our Neighbours pretend to shut the Door against our Commerce, we must open it." (144) Almost twenty years earlier he had stated, "I divide the Care and Concern of the Nation among these Generals, Religion, Constitution, and Commerce; Trade, as it is the last of these three, is the first of all the subsequent Concerns of the Kingdom, and I rank it hand in hand with Religion and Constitution, not by Way of Equality, but as it is the great Auxiliary, which enables us to protect, defend and preserve the other from all its Opposers." (145)

On the other hand, he contended that trading nations never began offensive war, (146) forgetting that earlier he had condemned the English attack on the Smyrna convoy before war was actually declared on Holland in 1672. (147) "Trading Nations seek no Conquest, aim at no Encrease of Power, or Aggrandizing of Persons or Families. Great Britain is Rich, and Strong, and Opulent enough in her own Wealth, Power and

144. The Evident Approach of a War ... (1727), pp. 13, 29-38.

145. Review, Vol. IV, (No. 147), p. 588.

146. Ibid. Vol. III, (No. 97), pp. 385-387.

147. Reasons against a War with France (1701) in A True Collection ... Vol. I, p. 184.

Commerce. She seeks no more but a peaceable Possessing her just Rights, and preserving to her People the free Extending their Commerce, that they may Trade in Peace with all the World, and all the World with them." (148) When peace was being discussed in 1707, he was opposed to the seizure of any former British territory in France because Britain would then have to admit the wine and brandy produced by her new subjects. "We want not the Dominion of More Countries than we have, we sufficiently possess a Nation when we have an open and free Trade to it; we know how to draw Wealth from all Nations if we can but trade to them; the Value and Bulk of our own Manufactures ... force the Wealth from the best and richest Countries, be they never so remote; our trading to Old Spain has been a full Trade to New Spain, and a trade by which England has always drawn as much money from America as Old Spain itself." (149) He does not seem to have looked on colonial territories as conquests in this sense, presumably because they were acquisitions of empty lands, apart from their native inhabitants, or, in the case of Spanish America, they were held by a nation that did not exercise effective control of the area nor develop its resources. (150) When he thought that there was a danger that Russia might establish an overland trade with eastern Asia, he suggested that it might be necessary to drive her out of Livonia and Ingria to cut her off from the Baltic, but this showed his fear of Asiatic textiles rather than any desire to wage aggressive

148. The Evident Advantages to Great Britain from the Approaching War (1727) p. 29.

149. Review, Vol. IV, (No. 101), p. 402.

150. Infra, pp. 1019-1020

war. In any case the idea was thrown out as a remote possibility rather than as a practicable plan to stifle an extension of such a trade to western Europe. (151)

However strongly Defoe supported the war against France, he never forgot the heavy cost of the struggle in men, money and the dislocations of trade. Immediately after Ramillies, he looked for peace to follow the recent successes and quoted this couplet from 'Jure Divino,'

"War dyes of course, when e're oppressions cease;
They only justly fight, that fight for peace."

He added that if England seized the lands which she had held under Edward III, "we should possess so much the superior Provinces for Wealth and Trade; and our Naval Power be so increas'd, no Trading Nation could be secure in us." (152) In November 1708 he declared, "No Man wishes for a happy End of these bloody, terrible, destructive Wars, more than the Author of this Paper," (153) and in the following spring he reaffirmed this desire more warmly: "I confess, the very Word has a Charm in it ... We are grown Old in War, we have born the Burden so long, and struggled with innumerable Losses; ... What flourishing Trade, what growing Manufactures, what Encrease of People would follow a Peace? ... What Havock of blood, what Shipwreck of Estates, what Desolation of Trade, what Ruin of Families, what Stop of our Manufactures, has this tedious War procur'd in this Nation!" (154) As early

151. Infra, pp. 770-771.

152. Review, Vol. III, (No. 67), p. 266.

153. Ibid, Vol. V, (No. 104), p. 413.

154. Ibid, Vol. V, (No. 148), p. 589.

as 1707, he began to voice his disappointment at the failure of the early peace feelers: "I do not wish, the Proposals of a Treaty had been hearkned to last Year from any Diffidence I have of the ill Event of this Campaign, tho' I must own, I always wished a Treaty had been begun." (155) The evidence of French recovery shown by Berwick's victory at Almanza made him regret all the more the failure to secure peace the previous year. "The French, who we thought as good as conquer'd, ... who were, as it were, at our Doors, begging Peace, and God knows who it was, that first refus'd to treat with them ... if we fight not for Peace, I know very little of the true Intent and Meaning of this War. (156) It is true that he wrote a pamphlet in support of the Whig election campaign of 1708, in which he asserted that if peace were made before France was further reduced, "it would be the most dangerous Lethargy that ever Europe fell into." (157) Since Almanza, however, there had been the Allied failure at Toulon and the attempted Jacobite invasion of Scotland and he probably thought that another great Allied victory in the field was needed before satisfactory peace negotiations could restart. By the time of the important negotiations at The Hague in 1709, his conviction that France could not continue the struggle led to his premature celebration of peace in the "Review." (158) When his hopes were again disappointed, he wrote "I am not among the Number of those that say, they are glad the French have refus'd to make Peace; I

155. Ibid, Vol. IV, (No. 62), p. 247.

156. Ibid, (No. 68), pp. 269-270.

157. Advice to the People of Great Britain. (1708), p. 3.

158. Review, Vol. VI, (No. 25), pp. 97-98.

own I should have rejoyc'd in Behalf of my Country, and of all Europe, at the Enjoyment of a Peace so glorious, so advantageous as this was" (159) although he continued to accept the Whig dictum that the French must be driven out of Spain. (160)

When, after the fall of Godolphin in 1710, he was back in the service of Harley and desperately trying to make himself useful again to the patron who had delivered him from Newgate in 1703, Defoe wrote pamphlet after pamphlet to justify the Tory ministry's conduct of the peace negotiations with France. As an undischarged bankrupt, who had gravely offended his fellow Whigs, he was in a position of extreme financial dependence on Harley, but the political situation in Europe was also dramatically changed by the accession of the Archduke Charles to the Imperial throne in 1711. Further, the miscarriage of the impeachment of Dr. Sacheverell and the Tory triumph at the polls in 1710 had shown the strength of the growing opposition to the war, but his change of front was rather an adjustment of opinions which he had long held rather than a complete volte face. (161) In any case, his economic views were not affected by his campaign for the Tory peace. As he had always keenly regretted the wastage of the country's resources in war, he now re-emphasized the deleterious effects on trade of such a long and strenuous conflict: "Who is there to be found, that calling himself a Protestant and a Britain, Yet can be so little

159. Ibid., (No. 29), pp. 113-114.

160. Infra, pp. 579-582.

161. See my M.A. Thesis, op. cit., pp. 202-212, 222-232, 237-246, 251-253.

concern'd for the Good and Prosperity of his Country, as not to wish for a happy Conclusion of this heavy War? what part of our Country has not felt something of the Weight? What Families among us have been free from the Burthen? how are the meaner Gentry, the Yeomen and the Freeholders pinch'd by the Abatement of a Fifth part of their Annual Income, ... We were a rich Nation, and we are not the poorest in the World now, and it is a Maxim that will ever hold good, Rich Nations love Peace, and Poor ones War. No People can ... suggest upon the People of England that they should not be for Peace ... The Encrease of our Trade, the Employment of our Poor, the Consumption of the Growth of the Country, these are all the Effects of Peace: War destroys our very Foundation, ... our Shipping are destroy'd by Pyrates and Privateers, our Seamen (the Strength of the Nation,) perish in the many Casualties that attend us at Sea; ...

.....

Trade stagnates and decays under a War; Exportation is straightned and restrain'd; the Manufactures of the Nation lye still; the useful Hands that shall work and support Families, stand still for want of Employment." (162)

The following year, he referred to "the general Loss and wither'd State of our Commerce in general, under so tedious and expensive a War, a War of losses to Trade, whatever Victories we have obtained by Land." (163) Two months later, he admitted that there had been a time when he thought

162. Armageddon (1711), pp. 3-4.

163. Review, Vol. VIII, (No. 156), p. 628.

"we grew Rich under the War, and really got Money by it;" and added "I believe for some time we did so, at the latter End of the first War - We had then the Spanish Trade open, a Vent for our Manufactures, a Flux of Bullion in Return, and a Circulation, both of Work for the Poor, and Money for the Rich; we had indeed, a moderate Load of Debt, but not greater than might be seen thro', ...

.....

The Case is now quite otherwise; the State of the War is alter'd, and the length of it changes the Face of our Affairs - Trade Languishes, the Weight is too heavy, and the Nation now really sinks under it." (164) In the guise of Tom Flockmaker, a Worcestershire clothier, he asked, as one of his thirteen queries about the need for peace, "Whether we grow Rich by the War? or are like to grow Poorer by a Peace?" (165) In another pamphlet, he announced that peace, "after so long and so pinching War," was "like Food to the Stomach after long Abstinence, and the sound of it must be to the Ear of the meanest very grateful." (166) The following comment was inspired more by his conviction that trade was languishing under the strain of war than by propaganda for peace for that party dispute had been at its height in 1711 to 1712 and Defoe had not yet been engaged to defend the Anglo-French commercial treaty: "Peace is the Foundation of Commerce; no Trading Nation ever grows Rich by War; all your Notions of the Dutch growing Rich by the War, are mistaken in Fact; they may, by their known Husbandry and good

164. Ibid., (No. 182), pp. 729-730.

165. Worcestershire Queries about Peace (1711), p. 15.

166. Reasons why a Party among Us ... (1711), p. 5.

Management, suffer less than other People, but to talk of growing Rich by the War ... is a Contradiction in it self; War is a Destroyer, and Consumes by its own Nature, the Nations who carry it on ... Peace brings Plenty, Peace makes Expence, and Expence, Trade." (167)

Twice Defoe strongly advocated war with Spain, in 1700 and 1727. On each occasion, his bellicose sentiments were motivated by the prospect of acquiring colonial territory in South America, where he maintained that Spain did not exercise effective control and where she could not legitimately expect her title to be respected because she was failing to develop the natural resources of large areas of her empire. Because of the decline of Spain, he thought that it would be easy to seize Chile or Patagonia, but he had misgivings about the adverse repercussions on trade of a Spanish war. He looked on Spain as Britain's most valuable market and when he was not bemused by his dreams of colonial expansion, he obviously preferred the gains from peaceful trade to the depredations of war. (168) Yet he was so far a prisoner of the economic thinking of his day that he regarded peacetime commerce as a battleground of intense national rivalries, an outlook which followed from his belief in a fixed volume of world trade. (169) On July 29, 1710, before the rift in the Anglo-Dutch alliance, indeed before the final disintegration of the Whig

167. Review, Vol. IX, (No. 50), p. 100.

168. Infra, pp. 589-591.

169. Supra, p. 13.

ministry, he wrote in the "Review".

"The Dutch are our Neighbours; in the Confederacy they are our Friends; they join with us in defending the Protestant Interest, and the Cause of Liberty; they are our good Allies against the French, and I shall be the last that shall speak, or write a Word, in prejudice of our Friendship with the Dutch - But Trade knows no Friends, in Commerce there is Correspondence of Nations, but no Confederacy; he is my Friend in Trade, who I can Trade with, that is, can get by; but he that would get from me, is my Mortal Enemy in Trade, tho' he were my Father, Brother, Friend, or Confederate.

Again, the Dutch are our Friends in the War, but I never heard any Body say the Dutch are our Friends in Trade, no, nor we theirs - We will Fight hand in hand, and back to back, against France, against Tyranny, against Popery, but we fight Hand to Hand, and Face to Face in our Trade, in all Parts of the World, where our Trading Interests Clash; nor is it any Breach of our Alliance in other Things.

And is it not the same Thing in your Streets every Day, Father and Son, Brother and Brother; they are good Friends, ... but if two of them are of a Trade, will they send a Customer from their own Shops to their Relations? No, no, just the contrary; they will ... use all possible Artifice to Supplant and Encroach upon one another, ..." (170)

These remarks were made in the particular context of the dispute between the Royal African Company and the separate traders. Defoe believed that the rivalry between the chartered company and the interlopers was enabling the Dutch to encroach further in the vital Guinea trade. Five days later he claimed that the Dutch would give "a large Consideration" for the Company's forts which the separate traders alleged were ruinous and worthless. (171) The following April, but again with reference to the African trade, he wrote "In Trade, as in Gaming, Men

170. Review, Vol. VII, (No. 54), p. 210.

171. Ibid, (No. 56), p. 218; Infra, pp. 793, 799.

know neither Father nor Mother, Friend or Relation; ... The Business of Trade is to get Money - And if I can get Money by Trade, with getting it fairly, I am to do it against any Body's Interest or Advantage," and suggested that the Dutch might be intriguing with the interlopers against the Company.

(172) By the summer of 1712, Defoe had been vigorously engaged for more than a year in support of the Tory ministry's peace negotiations with the French and had attacked the understanding between the Whigs and the Dutch, but his further reflections about the separate trading interests of the two countries still had the situation in West Africa in mind:

"It is our Undisputed Interest to maintain a constant, steady Union with the Dutch, and the Civil Interest of the two Nations are, as Europe is now stated, Inseparable; for which Reason, tho' at present there seems to be Dissatisfactions, I hope they may be prevented from breaking out into any thing fatal to the Peace between them.

... yet I am for keeping up the Separate Interest of Trade to the height; many Things I would yield to the Dutch relating to Quota's, Defences, Proportions, and the like; but not an Inch in Trade.

Trade is the Life of both Nations, and they live Separately, however they may act Jointly; ... Trade is the Nourishment of the Body: Two Friends may Unite Interests, and Hopes, and Act in joint pursuit of Happiness ... but they cannot Eat and Drink for one another, ... thus were our Confederacy and Oneness of Interest with the Dutch, ten fold firmer than it is, and if that be possible, may it be so; yet we need not put our Trade into their Hands, nay, we must not, we cannot, without laying a Foundation for the Ruin of that Friendship, in Ruining that which qualifies us to be their Friends.

... to give them our Trade, this is Communing Blood and Spirits; this is killing ourselves to keep them alive, starving our Poor to feed their Poor, ...
 ... whatever Disadvantages either the Company may suffer, or the Trade, by their Discouragement, is so much Advantage given to the Dutch, and in which Trade the Dutch have made prodigious Encrease, by the Division which has depended so long. ... the

Trade to India, and the heavy Taxes now laying on Coffee, Tea, Drugs, etc. which being Tax'd before to so great a height, as 30 or 40 per Cent and fifteen to twenty per Cent more being now to be laid on, if the Companies or Importers are discouraged from carrying on that Trade, it falls gradually and of course, into the Hands of the Dutch - This is building up the Dutch upon the Ruins of Britain, and taking the Blood out of our Veins, to make it Circulate through theirs:" (173)

During the party quarrel about the Anglo-French commercial treaty, he accused his Whig opponents of giving up Britain's trading interests to their friends the Dutch, "the highth not of Folly only, but of Treachery and Knavery." "That the Dutch are many ways our Rivals in Trade," he announced, "that they are jealous of us in several Cases wherein our Commerce Clashes and Interferes with theirs, that we are in many Cases of Trade, dangerous Rivals to them abroad, and desire still to be so, is most certain; and it is our Business to be more and more so." (174)

His later allegations of Dutch chicanery in trade were made more to discredit the Whig opponents of the commercial treaty than to vilify the Dutch. He claimed that the Whig opposition was inspired by the Dutch who were afraid that British competition would seriously reduce their profitable trade with France and that such dangerous rivals were not suitable counsellors for British commercial policies. Thus he accused the Dutch of hiring mercenary writers in London

173. Ibid., (No. 187), pp. 751-752.

174. Mercator, No. 116, Feb. 18, 1713 (1714).

to prejudice the British public against the French treaty, of smuggling wool out of Lincolnshire and of being more dangerous rivals than the French in the Turkey trade. (175) The Dutch had also ruined Britain's whaling trade with Greenland, had driven her out of the spice trade in time of full peace and had "worm'd us out of the Dantzic trade." (176) In addition to being rivals in the tobacco, fishing and African trades, he alleged that they had prevented any British attempt to seize territory in Spanish America despite the permission for such expeditions in the Treaty of Grand Alliance. The Dutch could not deny "that they were the only Obstruction; that they were jealous and uneasie upon every Armament by Sea that we made, lest we should privately design an Attempt that way;

.....

... Lest we having made any Conquests in America, and coming to some possession of both shores?, should Trade that way to the East-Indies, and break in upon their Spice Trade, which is their darling, and which they were too jealous of, to suffer any Partners in, if they could avoid it .." (177) Lastly, he claimed that Dutch warships on convoy duty had been active in smuggling French goods, particularly into Scotland and the north of England, so that they were like "so many floating Markets of Prohibited Goods." (178) In general, however, his complaints of Dutch duplicity do not show the old seventeenth-century jealousy of Dutch commercial success,

175. Ibid, No. 130, March 23, 1713 (1714).

176. Ibid, No. 132, March 27, 1714.

177. Ibid, No. 130; No. 131, March 25, 1714.

178. Ibid, No. 132.

rather that it was the natural condition of trade that the two chief Protestant allies should be close rivals in almost every branch of commerce. It was only for propaganda purposes that he repeated the old fiction that the Dutch had encroached upon "a Tributary License from England" for fishing in English waters to the extent of engrossing two-thirds of European markets whereas formerly they "could not catch a Cast of Fish in a Year" without English permission. (179) For the most part, Defoe argued that in trade the British, no less than the Dutch, recognized no superior claims to allegiance. "The business of Trade is to get Money, to extend our Goods, consume our Produce; encrease Employment to our Poor and enlarge the consumption of our Manufactures. We know no Parties in Commerce, no Alliances, no Enemies; they are our Friends we can Trade with to Advantage, tho' otherwise hating us and hated by us; no Differences of State-Matters are concern'd here; we know no Whig or Tory in Trade: There is no Popery in Commerce; it matters not to us what God they worship, what Religion they own with whom we Trade; our Commerce worships but one Idol, viz. GAIN;"... (180) He had used almost the same words in August 1713, in a pamphlet in which he was indirectly supporting trade with France. (181)

Defoe's perennial concern for the interests of trade appeared again in 1713 in the party wrangle about the extent to which the French were discharging their treaty obligation to destroy the fortifications of Dunkirk. Although he had

179. Ibid., No. 130.

180. Ibid., No. 155, May 20, 1714.

181. A General History of Trade, Aug. 1713, pp. 46-47.

deplored the depredations of the Dunkirk privateers as strongly as anyone, he wrote two pamphlets in reply to Steele's challenging No. 128 issue of the "Guardian" and the essayist's "The Importance of Dunkirk Considered." Because Defoe regarded Dunkirk as the most impregnable Fortification of the Low Countries, the most advantageous Port of the whole Western part of the World, the Curb of France, the Bridle of the Flemings, the Terror of the Hollander," he wanted Britain to keep possession of the port and, if this could not be regained permanently, to hold it as security for establishing British trade in Flanders on a more favourable basis and to ensure that France observed all the terms agreed at Utrecht, including the commercial treaty. Therefore, not even the fortifications should be demolished until Britain was on the point of handing it back to the French. (182) This was largely pamphleteering in the interests of his Tory paymasters in that the essence of Steele's charges was that Harley's ministry was conniving at the French tardiness to dismantle the defences and intended to hand back Dunkirk almost undamaged. There was also no suggestion that the Tory government was proposing to retain it. The pamphlet, however, reveals how valuable an acquisition Defoe judged Dunkirk to be and he reminded his readers that although it had been much less important when it was sold by Charles II, it was even then regarded as an irreparable loss. But his main objection to the outcry from the Whigs and the Dutch was that they seemed to be insisting on the complete destruction

182. Reasons concerning the Immediate Demolishing of Dunkirk ... (1713) pp. 12-13, 27-30, 45.

of the harbour as well as its fortifications. This would be "an Injury to Trade in General," not merely to French trade or British trade but to "the Trade of Europe" for it was "an advantage to Commerce that there should be as many safe Harbours, good Ports and Shelter for Merchants Ships in the World, as is possible to be made." He wished that in war, harbours might always be spared, whatever other damage might be inflicted on a port by siege or bombardment and commended the example of Louis XIV in releasing Winstanley, when captured by a St. Malo privateer, to continue building Eddystone lighthouse. He proceeded to declare that "Trade ought always to be Safe" and that nations "should never make war with Trade; the Merchant has Enemies enough to encounter with, such as Storms, ... and it is very hard, he whose End is Peace and Trade only, which Trade is the Universal Advantage of Mankind, should not be left free." It was "a misfortune to Trade, that the Interests and Politicks of Princes" were always paramount, "whereas Trade being the foundation of the World's Wealth, ought to be among the first Cares of Mankind," but he showed that this was a utopian dream by prefacing this wish by the remark that it was "a Thought proceeding meerly from a view of the Commonwealth of Trade." He also tacitly accepted the Whig case by stating that it could not "be safe for England, that the Haven or Peer ... should be preserv'd, tho' all the rest of the Works, Fortifications, etc. should be Demolished, while the Property of the Town should remain to the French." His solution was to hand such a strategic harbour to some third power: "Let it be given to anybody,

such as the Parliament of England shall agree, only so, that whoever has it shall Consent to make it an open Port ... and let this be to any Power but France or Holland." (183)

Defoe was again publishing the same opinions in the last year of his life, seventeen years after this party quarrel, in response to ^aDutch allegation that the French were refortifying Dunkirk. He agreed that "the Town and Harbour should be entirely divested of all Fortifications ... as also that there should be no Basin or Wet-Dock for receiving Ships of War;" but he insisted that neither the British had demanded nor the French granted "that the People of Dunkirk should for ever be disabled to carry on any Trade." He argued that the British derived more advantage from the trade of Dunkirk than the French because it was a free port and because it was "a very considerable Vent" for British cloth when this was still prohibited in all the other French ports. As for the brandy and cambrics imported into Britain from Dunkirk, they were the returns of the above exports, together with "a large Remittance hither in Ballance." The brandy had previously reached Britain via Holland and it was because British merchants were now cutting them out of this lucrative trade that the Dutch were protesting that the French had restored the harbour. (184) He repeated the imputation that the Whig protests in 1713 had been inspired by the Dutch.

"It is granted that by the Treaty of Utrecht, Dunkirk was to be demolished; thanks be to a friendly Dutch Faction among us, or else Dunkirk had been ours at that time undemolished, and Great-Britain had been Mistress at this time,

183. A General History of Trade, July 1713, pp. 34-44.

184. The Political State of Great Britain, Aug. 1730, pp. 193-195.

of the most commodious artificial Port, as well as the most invincible Fortifications in this Northern Part of the World: ...

Trade is a natural Right, and the Sea is open, especially in times of Peace, to the Merchants of all Nations and ought to be so. Nor does the Merchants of Dunkirk, building Warehouses for their Goods, or Wharfs to land them at, reach the Case at all, if the River by its ordinary Course will not bring up great Ships, as I am convinc'd it does not, ... Shall we deny the Dunkirk Merchants the Liberty of building Wharfs to unload such Vessels as the Channel will bring up: ..."

Completely ignoring the deliberate ruin of the overseas trade of Antwerp, he proclaimed, "Trading Nations never desire the blocking up of Trading Ports, so that these Ports are not rendered dangerous to them, as to War; Dunkirk was to be demolished, and Dunkirk has been effectively demolished as a fortified Place, but not as a Trading Port ..." (185)

An even more revealing illustration of his innate tendency to make trade the touchstone of his thought is provided by his reflections on the early history of trade and on the consequences of the epic struggle between the Romans and the Carthaginians. Trade began at Tyre with the Phoenicians: "Navigation was the Parent of Trade, as Trade has always been the support and encouragement of Navigation." These Phoenician merchants had made several voyages from the Red Sea round Africa and through the Mediterranean to the Levant and he called them "the Englishmen of that Age, that is to say, if they were not the Inventors, they were the greatest improvers of what others invented."

185. Ibid, April 1730, pp. 360, 363. He showed that he was well aware of the Dutch closure of the River Scheldt on p. 23 of "A Plan of the English Commerce."

Thus the first great blow to trade was the destruction of Tyre by Alexander the Great for although he founded Alexandria "as a Staple of Trade," the loss of Tyre far outweighed the achievements" of his new city. The Phoenician colonists of Carthage, however, surpassed the traders of the mother country. They were

"the most addicted to, and the greatest encouragers of Trade in the whole World. As they had a Genius for Commerce, so the Country they possess was fruitful in abundance of the Materials of Trade, that is to say, the most extraordinary product of the Earth for Exportation, and the most extraordinary product of a diligent industrious People in the most ingenious Manufactures, for their Consumption; being the Employment of the Poor ... (and) exported by them, to other Countries.

They had then, by the advantage of Numbers at home, a great Consumption of the product of other Countries, which they brought back in return for what they exported; so that they had both the ends of Commerce in their own Hands. ... had the Carthaginian Government remain'd, we have Reason to believe that we had found many noble Settlements and populous Cities, and perhaps Nations, upon all the West Coasts of Africa, from Cape Spartel, quite away to the Cape of Good Hope; and which had been still more considerable, we had found a civiliz'd, industrious, trading People, everywhere planted, prepar'd for Commerce, and furnish'd with a Product fit for making their Returns for all the Manufactures and Merchandizes of Europe, ..." (186)

Similarly, the Carthaginians inherited a thirst for discovery. Defoe called Hanno "the Carthaginian Sir Walter Raleigh (one of his heroes) as afterwards Sir Walter Raleigh was call'd the English Hanno." He believed that they had even reached America from the Cape de Verde Islands and he adduced the similarities between ancient American customs and those of Carthage as evidence, particularly the idolatry

and barbarous sacrifices of the Aztecs "in the worship of their Gods" and "the antient Forms of Government by the Inca's of Peru, the Customs and Usages of Atahalipa, the Peruvian King; their Registers, Archives, and Laws." For further proof, he claimed that the Peruvians especially, and the Mexicans "had many antient Traditions and traditional Prophecies among them, which plainly related to the Carthaginian Nation." (187) He also declared that "the Carthaginians certainly did beat along the Coast of Africa, quite away to the Cape de Bon Esperance, and that they had a Trade to the Indies by Long Sea as we call it". Carthage was then "the Mart of the World ... the Emporium of Commerce," with 700,000 people, while Utica had 100,000 and the colony of Syracuse in Sicily 600,000. He estimated the total population of North Africa at 8,000,000 (188) and elsewhere wrote of 2000 "populous Cities ... when the Barbary Coast was populous like France, ... when the Numidians and Mauritanians were a People suppos'd to have each two Millions in Number." (189) By contrast, the Romans, as citizens of an inland town, had no genius for trade: "the Romans (like the Turks ...) were no Friends to Trade; they carr'd on their War for Glory; like meer Soldiers they fought to conquer, and conquer'd to plunder, not to plant and people the World: So far were they from encouraging or improving the Commerce and Wealth of the Nations they subdued, that they overthrew and destroy'd the greatest Trading Cities in the World; such as Corinth, Syracuse, Carthage, and all the Cities of Egypt and

187. Ibid, pp. 106, 76-77, 107-108.

188. Atlas Maritimus et Commercialis, p. 265.

189. A General History of Discoveries and Improvements ...
p. 96.

Africa; Instead of encouraging Trade and Navigation, they murder'd the Merchants, burnt their Ships, and carry'd away the People, which are the Life and Support of Manufacture and Trade." (190) Defoe was full of contempt for the mere soldier and observed how often "the industrious and trading part of the World has been beggar'd and impoverish'd by the violence and fury of Arms." "The Soldier," he insisted, "has always been the plunderer of the industrious Merchant, How vainly do Men boast of their valour and gallantry in Arms, crown them selves with Laurel, and assume the name of Great, for Actions which instead of recommending their Fame to Posterity, and immortalizing their Memory, ought to make their very Names stink in the Nostrils of all great and wise Men, and shou'd make it odious as much to read of them." Thus, "Alexander the Great and Scipio, were the two Furies of the World, that overwhelm'd Commerce in the rubbish of their Conquests; and never concerned them selves with the loss which the World felt by their Folly and Rage. (191) The Romans, indeed, outdid Alexander, for they destroyed both Carthage and Corinth, which, in Defoe's opinion, dominated the trade of the eastern Mediterranean as Carthage did that of the west. (192) They only maintained the Carthaginian settlements in Spain and Portugal and when their empire in turn collapsed, North Africa was overrun by the Vandals and the Goths, followed by the Moslems. (193) Therefore, "the World received a mortal Wound in the overthrow of the Carthaginian Empire" which it still felt and from which it might never recover. Indeed, it was

190. A Plan of the English Commerce, p. 234
 191. A General History of Discoveries and Improvements, pp. 123, 125-126.
 192. A Plan ... pp. 235-236.
 193. A General History ... pp. 105, 134.

"the greatest Loss to the World that ever happen'd in it; and ... it had been much happier for Mankind in general, but especially for the trading Part of the World, if Carthage had stood, and the Roman Empire been destroy'd "because trade would then have flourished early, "Trade to the East-Indies by Sea had been now of 2000 Years standing; and ... America perhaps had been all Christian ... for 1500 or 1600 Years before." (194)

With his usual exaggeration, he suggested that the commerce between Europe and the Barbary Coast "wou'd have been a Trade by this time equal to that of Spain and Portugal, only perhaps fifteen times as much," whereas now Africa was "no more a place of Trade," all the commerce of the continent from the borders of Egypt to Cape de Verde was not equal to the trade "of the single Port of Cadiz." (195)

The Moslems, "like the Romans, the Destroyers both of Commerce and Cultivation," (196) had reduced North Africa to "a wild uninhabited Desert, the Inland part left to mere Nature, and the Sea-coast possest by Barbarians, and a Generation of Drones, who ... chose to live by Rapine and Violence." It had become "a Den, not of Lions and Tigers only, ... but of Pirates and Thieves, a kind of wild Beasts infinitely more destructive to the World, and worse Enemies to its prosperity than the most ravenous Beasts of Prey in Nubia, or Libya or on the Banks of the River Niger." (197) He constantly bewailed

194. Atlas Maritimus ... pp. 239, 265.

195. A General History of the Discoveries and Improvements ..., pp. 98-99.

196. A Plan of the English Commerce, p. 239.

197. A General History of the Discoveries ... pp. 134-135.

the failure of Christian Europe to take action against "these barbarous Robbers," especially the failure of the Western European states to go to the help of the Emperor Charles V in his expedition against Tunis.

"In this War had he been join'd by the French and English, and the Hans Towns; ... he might have clear'd the Sea Coasts of the whole Race, and have planted Colonies of Christians in all the Ports, ... But Francis the first King of France, his mortal and constant Enemy envy'd him the Glory of the greatest and best Enterprise that was ever undertaken in Europe; a Thousand Times beyond all the Cruisadoes and Expeditions to the Holy-Land, which cost Europe a Million of Lives, and an immense Treasure, during one Hundred and twenty Years, to no Purpose." (198)

In 1718, he accused individual Dutch merchants, while expressly exonerating the Dutch nation, of furnishing the Barbary corsairs with arms and ammunition and of receiving captured British vessels in exchange. (199) Two years later, he announced, "I am no Man for Crusadoes, nor am I a Man for a general War against the Infidel World, ... But it has been often a Subject of Wonder to me, that the several Nations of Europe, especially those concern'd in Trade; ... suffer the whole Southern Shores of the Mediterranean Sea ... to be possess'd by Infidels and Pyrates." He condemned the European powers for stooping to establish diplomatic relations with these marauders, making treaties, receiving their ambassadors and appointing consuls to reside among them. In the latter end of Charles II's reign, when they even infested the Channel, he claimed that he had had "an Adventure in a Ship bound to Rotterdam, that was taken by an Algerine Man of War,

198. A Plan of the English Commerce, pp. 240-241.

199. Mercurius Britannicus, July, 1718.

in the Mouth of the River Thames, and in Sight of Harwich. (200) He regretted that he had failed to rouse the powers "against that worst of Plagues, those sworn Enemies and Banterers of the peaceable World, that is to say, the World of Trade, ... the Pyrates and Rovers of Africa, a Hell-born Generation, that live by Spoil and Plunder; a Crew of Runagates and Renegades, Jews, Savages, degenerated Turks; Moors and Mahometan Christians; for they are a horrible Mixture of Mankind." It was "the Scandal of Christendom" but especially of the Mediterranean powers that they allowed themselves "to be thus Bullied and Insulted at their own Doors, by a few Rovers, ill-furnished with Ships, and not Mann'd with the most expert Seamen; their Ships very rarely of more Force than Thirty to Thirty Six Guns, ... when, ... there is not one of the Maritime Powers of Europe Bordering on these Seas, that is to say France and Spain in particular, but what are separately able to fit out such Fleets, as are sufficient to blow them all out of the Sea." (201)

It was not only their depredations at sea that provoked Defoe's indignation. In his eyes, any people who failed to develop the natural resources of a region forfeited their title to the territory. Where the occupants were guilty of such widespread devastation, he urged that they should be dispossessed by the trading nations who would receive allotments of the coastal lands in proportion to their share in the conquest. (202) The Moors, being driven inland ten or twenty miles, would no

200. The Commentator, June 17, 1720.

201. Ibid, June 20, 1720.

202. A Plan of the English Commerce, pp. 241-243.

longer be able to live by piracy and would be forced to "become laborious and diligent as other Nations are." (203) The land would be restored to its former prosperity under the Carthaginians and produce corn, salt, wool "as good as the Spanish," horses, hides, drugs and gums, almonds, pomegranates, wax, honey, coral, copper, iron, rice, cotton, wine, oil, ostrich feathers, lions and leopards. (204) Gold dust, ivory, civet and Guinea grains could be brought across the Sahara and "Sugar, Indico, Ginger, Piemento and all the Growth of our West-Indian Colonies" could be transplanted there. (205) The chief advantage, however, was that "Multitudes of People would be encouraged by the Advantages of the Place, to go over and settle upon it" and provide new markets for European manufactures. "And this indeed is the Sum of all Improvement in Trade, namely, the finding out some Market for the Sale or Vent of Merchandize, where there was no Sale or Vent for those Goods before, to find out some Nation, and introduce some Fashions or Customs among them for the Use of our Goods, where there was no Use of such Goods before, to vend our Goods at new or differing Ports, may be no Encrease of Commerce, or to send them to new and differing Places, because they may still be sent from thence to the same People, and to the same Nations as the last Consumers, who consumed them before." Apart from ending the attacks on shipping, this great enterprise would probably produce a twenty-fold increase in trade and "would bring more Glory to the Christian Name, than all their Intestine Wars, one against

203. Atlas Maritimus ... p. 266.

204. A Plan of the English Commerce, pp. 242-243; Atlas Maritimus .. p. 266.

205. Atlas Maritimus ... p. 266.

another, the Scandal of Europe; and the only Thing that first let in the Turk, and other Barbarians among them." (206) This conquest was, therefore, doubly justified. "The Enemies of Trade are Enemies to all Men" and North Africa was yet another area of the world, like East Africa and West Africa, Chile and Patagonia, where trade might be considerably extended.

In December 1713 he had written that it was undoubtedly "the common Interest, that Trade should extend itself" and had added that Britain had "as able and as adventurous Merchants as any in the World, and furnished with as good Stock." (207) But trade had to be energetically promoted. Arguing in support of the treaty of commerce with France as a cure for present ills, he contended that trade had declined as a result of the credit crisis, which followed the change of government in 1710. Merchants were disheartened from sending their goods abroad, or at least they were "backward in their Adventures" and did not push their trade as it ought to be pushed. "For Trade, tho' it will go of its own accord, and our Exports are very great as it is, yet the Old Phrase will always be Sence in Trade, (viz) To DRIVE a Trade: Trade must be DRIVEN, it must be pushed on." (208) Naturally, he looked to the government to give every assistance to this vital activity and wrote that the government was "the Physitian of the Nation's Trade." (209) This remark had particular reference to the African trade when Defoe was supporting the Royal African Company's efforts to

206. A Plan of the English Commerce, pp. 243-244, 245.
 207. Mercator, No. 90, December 19, 1713.
 208. Ibid, No. 110, February 4, 1713 (1714).
 209. Review, Vol. IX, (No. 44), p. 88.

secure a confirmation of its charter and effective government action against the interlopers, (210) but it represents his general attitude. It was common ground between all the writers on economics that individual traders would always try to secure their own advantage and that this might not be in the national interest. When some pamphleteers supported the claims of a particular group of traders, this was because they identified the national interest with the prosperity of their clients not because they anticipated nineteenth-century notions of the benefits of free trade. (211) As for modern fears of the dangers of concentrating excessive power in the hands of the state, Defoe and his fellow writers were more conscious of the converse problems of reconciling conflicting interests and of making the decisions of the legislature effective. Thus, in 1708, he had written in the 'Review,' "it being Parliament-Time, and a Time when Matters of Trade come more particularly upon the Stage, ... our Commerce has many Cobblers, every Body is stitching it up, and quacking about it; but I see little Progress made in the Diseases of it." Yet the consequences of failure to prescribe the correct remedies would be calamitous:

"... Trade is the Life and Wealth of this Nation, 'tis its Nobility, its Foundation, and the great Mine from whence its Wealth has sprung; whenever our Commerce dies, the Common-Wealth will languish, Government choak'd with Obstructions, will have the Green-Sickness, grow pale and faint, and by Degrees fall into an irretrievable Consumption. Trade is the Animal Spirit to this great Body, ... No wonder, our Legislative Authority has always been tender of ... our Trade ... the Great Representative of Britain cannot be so ignorant, that this is the

210. *Infra*, pp. 791-803.

211. C. Wilson, England's Apprenticeship 1603-1763 (1965), p. 271; W. Letwin, The Origins of Scientific Economics (1963), pp. 41-45, 59-60, 198-201.

substantial Article of our Prosperity, and next to our Peace, the main Hinge the whole Nation turns upon - How quickly would this great and populous City be uninhabited, the Streets become empty, the Houses fall down, vast Estates in Rents be lost, and the rest sink low, if the Trade should die? How would Strangers abandon us, our own People fly from us, our Ships lie by the Walls, our Ports decay, our Revenues cease, and in short the whole Mass of Blood in the Body Politick, stagnate and corrupt for Want of Circulation; how would the Countries lie untill'd, our Enclosures be laid open, our rich Pastures lie unmanur'd, our Flocks of Sheep grow unprofitable for Want of Vent for their Wool, our Herds of Beeves, and our Daries be useless for Want of People to consume them, our Manufactures die for Want of Vent, and our Poor over-run us for Want of Employ." (212)

POPULATION AND EMPLOYMENT

In order to obtain the maximum benefit from trade, it would be necessary for Britain to increase her population. In April 1705, Defoe announced in his 'Review', "the Glory, ... the Trade, and all that's Valuable in a Nation, as to its Figure in the World, depends upon the Number of its People," and he followed this in October with the doctrine, "As Populous as we are, there is more Trade than People in most Parts of this Nation; and yet if there were more People, there would be more Trade." (1) Many contemporaries echoed this cry for a larger population but, as E.S. Furniss pointed out, "it has been an opinion common to all people and all ages that the glory and power of a nation are in some way proportional to the numbers of her inhabitants." (2) Therefore this sentiment was usually couched in vague, general terms as "people and plenty are commonly the begetters the one of the other," (3) or "national power is founded on People and Treasures," (4) or "whatever doth increase the stock of people must be a procuring cause of riches," (5) and where specific reasons were given they varied from author to author.

Roger Coke and Charles Davenant believed that a larger supply of labour would bring about a proportionate increase of foreign trade and Defoe seems to share this view in the following statement, "it's the constant and excepted Principle of all the rational part of Mankind, that People are the Riches,

1. Review, Vol. II, (No. 13), p. 50; (No. 94), p. 373.
2. E.S. Furniss, The Position of the Laborer in a System of Nationalism, (Cambridge, Mass. 1920), p. 28.
3. S. Fortrey, 'England's Interest and Improvement' (1673) reprinted in Early English Tracts on Commerce, edited J.R. McCulloch (1952 reprint), p. 219.
4. 'Britannia Languens' (1680), McCulloch, op. cit., p. 457.
5. Sir Josiah Child, A New Discourse of Trade

Honour and Strength of a Nation, and that Wealth increases in an equal Proportion to the additional Number of Inhabitants," (6) but his emphasis throughout this pamphlet and in all his economic writings was on the stimulus which an influx of immigrants would give to internal demand and on the increase in the power and influence of the state which would follow from the larger population and the rise in prosperity. "The Consumption of Manufactures increases the Manufacturers, the Number of Manufacturers encreases the Consumption; Provisions are consum'd to feed them, Land Improv'd, and more Hands Employ'd to furnish Provisions; all the Wealth of the Nation, and all the Trade is produc'd by Numbers of People." (7) He may have looked on the resulting increase in foreign trade as a long-term development as he did not link it directly with immigration except retrospectively in the new trades introduced into England by the Refugees from religious persecution on the Continent. (8) He ascribed the extension of the dominion of Rome to "being an Asylum to Strangers" and commended the examples of the Duke-Elector of Brandenburg, whose charity to the Huguenots "was requited with more than a double Return of Profit to his own Revenues" and Holland which was ten times more densely populated than England and yet whose wise policy towards "distress'd Strangers" had helped her to defeat Spain. (9)

In producing the wealth by which a nation's power and influence in the world was supported, labour was so much more

6. A Brief History of the Poor Palatine Refugees ... (1709), p. 3.
7. Review, Vol. IV, (No. 8), p. 32.
8. Ibid, (No. 7), pp. 26-27.
9. A Brief History ... pp. 4-7.

important than natural resources, (10) that a larger labour force was obviously always desirable. In supporting the admission of the Palatine Refugees, he used one of his favourite devices, namely the following axioms:

"1. That the Wealth or Poverty of Nations may in most Places be determined by the Number of Inhabitants.

2. That, generally speaking, Nations, Kingdoms, or Governments are more or less great, rich and strong, or poor, weak and contemptible, as their Number of People make the Difference, and no otherwise.

3. That as any Nation has from a few People encreas'd in Number of Inhabitants, it has always encreas'd in Wealth and Strength.

4. That as any Nation has decreas'd in its Inhabitants, so that Nation has always grown poor, decay'd in Strength and become contemptible in the World."

He instanced God's promise to the Israelites and claimed that increase of people had always been reckoned "the best and most advantageous Circumstance of a Nation" whereas "the most impolitick Banishment" of 150,000 families of the Moriscoes and the extensive emigration to the New World had so depopulated old Spain to make it "the weakest Nation, proportionably consider'd, in Europe." (11)

The pressure of increased demand stimulated effort and promoted general economic activity: "as the Industry of Mankind is set on Work, their Hopes and Views are rais'd, and their Ambition fix'd: The View and Prospect of Gain inspires the World with the keenest Vigor, puts new Life into their

10. Supra, p. 21.

11. Review, Vol. VI, (No. 37), pp. 145-146.

Souls; and when they see the Success and Prosperity of Trading Nations, it rouses them up to the like Application." Where the volume of trade was small, however, "the Scene of Life" was correspondingly miserable. "The Countries look desolate, the People sad and dejected, poor and disconsolate, heavy and indolent; not for Want of Will to Labour, but for Want of something to labour profitably at; the Rich are slothful, because they are rich and proud, the Poor because they are poor and despair; for it will ever be true That Poverty makes Sloth, and Sloth makes Poor. We say of some Nations, the People are lazy, but we should say only, they are poor, Poverty is the Fountain of all Manner of Idleness; they have in short nothing to do, no Employment in which they can get their Bread by their Labour; their Work gets no Wages for Want of Trade, and their Trade no Increase for Want of Labour; Diligence promotes Trade, and Trade encourages Diligence; Labour feeds Trade, and Trade feeds the Labourer." (12) The psychological effect of a high level of employment produced a completely different picture in the "trading manufacturing Nations."

"... their Labour, however hard and heavy is perform'd cheerfully; a general Sprightliness and Vigour appear among them; their Countenances are blith, and they are merrier at their Labour, than others are at their Play; their Hearts are warm, as their Hands are quick; they are all Spirit and Life, and it may be seen in their Faces; or which is more, it is seen in their Labour; as they live better than the Poor of the same Class in other Countries, so they work harder; And here the same Antithesis is observable as before, tho' in its contrary Extreme; ...

12. A Plan of the English Commerce, pp. 24-25.

Labour makes Gain, and Gain gives Strength to Labour. As they labour harder, so they get more for their Work than other Nations, and this gives them Spirit for their Labour." (13)

Increased trade also promoted invention and he demonstrated the truth of this conclusion by a converse example from Russia, where, "Labour was not assisted by Art." (14) By using axes and many hands, they were only able to produce one large plank from a great tree whereas the Swedes and Prussians, with the aid of saws and saw-mills, would sell three or four similar planks - for the same price as the Russian, so that "the miserable Russian labour'd ten times as much as the other did, for the same Money." (15) Petty and Davenant also equated poverty and sloth with a sparse population and they thought, with Sir William Temple, that the pressure of population would act as a spur to invention and instigate general economic progress. (16)

To Defoe, however, the greatest economic effect produced by additional numbers of people was the immediate stimulus to agricultural output. Because of the higher standard of living in trading countries, the people were "kept at Home, kept from wandering into Foreign Countries to seek Business." This "keeping the People together" was "the Sum of the whole Matter" for they consequently multiplied together and the nation gained the full benefit of any natural increase of population:

"As the Numbers of People increase, the Consumption of Provisions increases; as the Consumption increases,

13. Ibid, pp. 26-27.

14. See E.A.J. Johnson, Predecessors of Adam Smith (New York, 1965 reprint), chapter XIII 'Art' and 'Ingenuous Labour'.

15. A Plan of the English Commerce, p. 27.

16. Sir W. Petty, Economic Writings of Sir William Petty, (edited C.H. Hull, Cambridge 1899), I, p. 34; C. Davenant, Works, I, p. 73; Sir W. Temple, Observations upon the United Provinces, (1668), p. 211; E.A.J. Johnson, op. cit., pp. 251-252

the Rate or Value will rise at Market; and as the Rate of Provisions rises, the Rents of Land rise: So the Gentlemen are with the first to feel the Benefit of Trade, by the Addition to their Estates.

As the Consumption of Provisions increase, more Lands are cultivated; waste Grounds are inclosed, Woods are grubb'd up, Forests and common Lands are till'd, and improv'd; by this more Farmers are brought together, more Farmhouses and Cottages are built, and more Trades are called upon to supply the necessary Demands of Husbandry: In a Word, as Land is employ'd, the People increase of Course, and thus Trade sets all the Wheels of Improvement in Motion; ...

Multitudes of People, if they can be put in a Condition to maintain themselves, must increase Trade, they must have Food, that employs Land; they must have Clothes, that employs the Manufacture; they must have Houses, that employs Handicrafts; they must have Household Stuff, that employs a long Variety of Trades; so that in a Word Trade employs People, and People employ Trade." (17)

Defoe was not haunted by any Malthusian spectre of diminishing returns for he believed that God had so ordered the world that not only was labour always necessary for man's survival but that more effort would inevitably reap a greater reward.

"God the great Director, as well as Maker of Nature, has commanded her, she shall obey the Call of Industry, but shall no where be a Volunteer to Man's Negligence - If he will not bestow the Sweat of his Brow to eat his Bread, he really shall have no Bread ... the richest Mines lie deepest in the Earth - And the best Diamonds in the hardest Rocks. The Treasures of Nature are conceal'd, as Rareties inaccessible but by Labour, reserv'd as a Reward to the Industrious." He shared the common assumption that the earth would continue to give (18)

17. A Plan of the English Commerce, pp. 13-15.

18. Review, Vol. VI, (No. 48), p. 191.

of her bounty when it was more intensively cultivated. Postlethwayt thought that to double the produce of the land merely required twice as many people and an earlier author had claimed that if the population of England were trebled, the land would yield more than treble the victuals. (19)

Although Defoe grossly overestimated the number of people in England at ten millions or about double the figure calculated by Gregory King, (20) he thought that the country could support at least another million inhabitants. Because of the shortage of hands, he exclaimed, "we have many Millions of Acres of Land in England untouch'd, that are to this day just where the general Deluge left them ... I defie all the Men on Earth to tell me one Reason, why these Lands are not or should not be improv'd, but what will end in this - Meer Want of People ..." (21) He estimated that there were three million acres of land in England that could be improved and that these would then employ a million more people. (22) "Our own Country England, is not half peopl'd, Ireland not a quarter part, Scotland less, and our Colonies are almost become Desert, and yet some Muck-worms are so weak and silly, as not to understand the great and valuable Blessings of being the general Asylum or Place of Refuge for distress'd industrious Protestants, tho' it is for Want of Hands that our Fishing is neglected;

19. M. Postlethwayt, Britain's Commercial Interest, Explained and Improved, I, 24; 'Britannia Languens,' J.R. McCulloch, ed. op. cit, p. 352.
20. Review, Vol. V, (No. 129), p. 515.
21. Ibid, Vol. VI, (No. 36), pp. 142-143.
22. Ibid, (No. 52), p. 208.

several of our foreign Trades lost, as that of Greenland, etc. our Harbours are choak'd up, the Sea robs us of our Land, our Rivers are not made navigable, we have no Canals for Commerce, our Mines are not search'd, our champion Lands not inclos'd, our waste Grounds not improv'd, and our Cities, two only excepted, are declining." (23) Much of this was common ground among the pamphleteers of the day when they measured English practice by Dutch example, (24) but Defoe never ceased to be a projector or to deplore the failure to set on foot these necessary improvements. As it was one of his strongest convictions that England was essentially an improving nation which developed the discoveries and methods originated elsewhere, (25) it could only be lack of people that was responsible for this lamentable neglect. "I must lay it down as a Fundamental," he added, "whether in Manufacture or Husbandry, if there is any Land unemploy'd, or any Trade unattempted - It is either Want of People, or Want of Stocks, that is the Occasion of it; I am loth to put in the Words Sloth or Ignorance, for it is manifest, we do not want Industry or Knowledge in Improvement in England, if we have either Hands to do it, Stock to compass it, or a Prospect of Advantage by doing it. (26).

Defoe was also subject to the general apprehension that England might suffer from surplus production which Heckscher designated "fear of goods." (27) In 1730, refuting complaints

23. A Brief History of the Poor Palatine Refugees ... (1709) p. 17
24. Compare A Yarranton, England's Improvement ... (1676) p. 7; Sir J. Child, A New Discourse, Preface, pp. xi-xxvi.
25. Infra, pp. 229-230.
26. Review, Vol. VI, (No. 35), p. 139.
27. E. J. Heckscher, Mercantilism (English translation 1934), II, pp. 114-130.

of stagnation in trade, Defoe discussed this vexed question of demand. He claimed that there had been "a vast Currency of Trade in almost all parts of England, the like has hardly ever happened since," from 1667 to 1670 and that this was the result of three major catastrophes, the second Anglo-Dutch war, the great plague and the fire of London. So much English shipping had been lost in the war that shipbuilding and its associated trades "enjoy'd a Glut of the Trade to supply us again, tho' Thousands of our Merchants and Tradesmen were ruin'd by the Losses." By the deaths of 100,000 Londoners in the plague, "the Hands were taken away from the Trade." Similarly, the fire "occasioned a very great Demand" for household goods and merchandise to replace those which had been consumed. In the absence of such disasters, he argued, the English people "are become as to Employment and Trade a Burthen to one another; the Trade, tho' great as ever, will not employ all the Hands; because ... we have no public Calamities to cause the Poor to be set on Work at the Loss of the Rich; and here lies our real Cause of Complaint, nor indeed do I see any other." Yet there was no shortage of food, nor was there, in fact a decay of trade. Ironically, he instanced the number of ships employed in the India and Turkey trades "as very great Testimonies of the Decay of our Commerce" and concluded "our Complaints for want of Trade and Employment are most of them groundless, or those things which we think are the Grounds and Occasions of those Complaints are not just."

(28) This fear that England might not be able to find markets

for all her manufactures caused him to place most emphasis on the foodstuffs and other goods which the new immigrants would consume. Dismissing the view that England already produced enough corn and cattle for "two such Nations" and that any increase in output would reduce the value of land, he claimed that this was the argument of a farmer hoping to direct any newcomers into industry rather than on to the land, "that you may have more Mouths without Food, and so the Price of Provisions may be kept up" yet he shared the underlying anxiety which was closely linked with the prevailing problems of employment (29) "Nothing is more certain," he owned, "than that we have too much Bread for our Mouths, (ay, and Drink too by the way) and too much Wool for our Backs, and too much Wool for our Hands." (30) While he always maintained that exports were of overriding importance and even went so far as to identify himself with the prevailing view that internal trade was no addition to the common stock, he still believed that improvement of land was a real gain to the community: "we want People to consume the Produce of this vast Quantity of Land; (the 3,000,000 acres which he thought capable of improvement) to wear the Wool, eat the Bread, drink the Beer, use the Horses, and spend the Flesh of those Lands; and tho' it be a Rule, that what is consum'd at home does not encrease the publick Stock, yet the Land producing this, and being rais'd to its full Pitch of real Value, is to produce, yielding to the Landlord an advanc'd Price in Rent, actually so much an

29. Review, Vol. VI, (No. 36), p. 143; Infra, pp. 112-113.

30. Ibid, (No. 38), p. 149.

Encrease of the publick Stock as that Advance amounts to, more than
 the same Land would yield before." (31) He granted that home
 consumption was no addition to the publick stock because it
 was merely a case of A gaining from B and the increase in the
 value of the product was cancelled when it was consumed. But
 he claimed that the case was different when immigration brought
 both additional consumers and producers, "the Circulation and
 Addition of our own Growth among these new Comers," being an
 increase, as was all they did here, "which was not done here
 before." He took as an example an immigrant enclosing and
 improving a piece of land. "All, that Land will lett or sell
 for more now, than it would lett or sell for before, is clear
 Gain to the publick Stock. Nay, all that this Land will
 produce, more than it would produce before, whether Corn,
 Cattle, or Wool, excepting only what the poor Foreigner and
 his Family ... must necessarily expend in the Work or in his
 Subsistence, is clear Gain to the publick Stock - For suppose,
 this Foreigner gets in twenty Years out of this Land clear,
 1000 l. besides the Rent he has paid to his Landlord - And
 he has liv'd upon the Farm - Is not all the Rent ... clear'd
 to the publick Stock, and have we not a Family planted and
 maintain'd, and 1000 l. laid up in England more than there was
 before? ... as their Numbers encrease, the Circulation of Trade
 and Credit, and the Consumption of Produce at home will encrease
 our Wealth, tho' it be at home; because the Earth is the Fund
 which is daily giving out of her Bowels new Stores for the

forming a general Stock, and encreasing it." (32) Earlier he had considered the extreme case of a group of immigrants making "their own Household Stuff and Clothes," and had added that they would not produce the corn which they ate or the wool which they used for their manufactures, so that they would consume agricultural produce that had not been grown before. (33) He proceeded to give an estimate of the amount of food consumed by a typical Englishman in a year. Beginning with the consumption of one of "the middling People," such as a citizen or shopkeeper, whom he claimed lived as well as the gentry, he finally decided that an artisan, say a carpenter, smith or weaver, best represented the average. If the gentleman ate more pies and puddings, he ate more bread, and more hard cheese and salt butter to balance the rich man's cream and white meats. Defoe calculated that this representative of the "working Trades, who labour hard, but feel no Want," required one quarter of wheat, two quarters of barley, one quarter of beans and peas, "one Large fat Bullock, three sheep, two lambs and one calf (or "one fat Hog"), one hundredweight of "Butter, Cheese, or the like in Milk, besides Carrets, Turnips, Cabbage, Fruit and Garden-Stuff" and that this was the produce of four acres of land. (34) Because of the great importance which Defoe attached to the home trade, he put more emphasis than most of his contemporaries on people as consumers of home-produced food and clothing, although he

32. Ibid., (No. 38), p. 150.

33. Ibid., (No. 35), p. 138.

34. Ibid., (No. 36), pp. 141-142.

naturally welcomed immigrants as additional labourers. (35)
 He reminded his imaginary farmer that a larger population would always have the effect of increasing the price of food for "were the Multitude of our Inhabitants encreas'd to a full Degree, you wou'd have less Corn and less Cattle in Proportion than you have now." (36)

Again underlining the importance of consumption, he argued that the increase in Britain's wealth since the advent of the Tudor dynasty had resulted from the fillip which increasing numbers had given to production, particularly by the influx of immigrants from Europe. "If a Million of People were to plant here - They would make more Labour than they could perform; this Overplus of Labour then must fall upon those that were here before - And this is the Reason, that, in this very Nation as our People encreas'd, our Wages, Provisions and Land have risen in Value - Look back to the Days of Edward III in England, you will find us then a flourishing, victorious Nation - Yet a fat Sheep was sold at 3s.4d. a fat Ox at 20 to 30s. a Lamb for 6d. and the like. And how was Labour? The Wages of the Poor were to some 1d. a Day; to many, less; to some few 2d. to Artificers 3d. or 4d. per diem, which was great Pay.

35. Infra, pp. 114-5; T.E. Gregory, 'The Economics of Employment in England, 1660-1713', Economica, I, (1921) p.40, 'Population was looked upon mainly as a factor of production, only incidentally as a factor in consumption, owing to a theory of foreign trade which threw suspicion upon home consumption.'
36. Review, Vol. VI, (No. 36), p. 143.

How has this encreas'd, but just as your People have encreas'd? With them has come Trade, Trade brought Wealth, People improv'd Land, and encreas'd Manufactures; this brought home Money, Money better'd their Way of Living, encreas'd Work, Work encreas'd Wages, Wages rais'd Provisions, Provisions encreas'd the Rent of Land." (37)

Thus the pressure of demand had led to a steady increase in wages and prices which had brought about a development of natural resources and a rise in the standard of living.

As a tradesman and liveryman of London, and the descendant of Northamptonshire yeomen, he was contemptuous of the servile and static nature of feudalism compared with the innovating quality of trade.

"... How came we to be Rich and Opulent, was it the mere Goodness of the Soil? Not at all: In spite of the Goodness of the Soil, We were a poor miserable enslav'd and Laird-ridden People, as they are in some Parts to this Day, with our Vassalage and Villeinage, our Wardships, Knights-Services and Egyptian Tenures, when the Commons went dangling after the Huntsman, and the Tenant held the Stirrup to the Squire; the Squire was but Sword-bearer to the Knight, the Knight again carryed the Colours for the Baron: And thus the Lord-done, indeed well called the LURDEN, was the great Idol of the Country; and whence came our Liberty? You may talk of our Ancestors fighting for it, and so they did, the Tyrant Barons against the Tyrant Kings; but who deliver'd us from the Tyrant Barons, whose Bondage was worse than that of Kings, and under which Bondage, a large Part of Britain now groans, and calls to us to set her free - I say it was thus: The Encrease of Foreigners flocking in to us from Abroad: These encreas'd Trade, Trade encreas'd Wealth, and Wealth brought us Liberty ..." (38)

37. Ibid, (No. 41), p. 162.

38. Ibid, Vol. V, (No. 143), p. 572.

Thus trade had improved the lot of the common people and enabled them to break the chains of serfdom. The "Opening the Nations Doors to Foreigners " had brought England "from a Nation of Slaves and meer Soldiers, to a rich, opulent, free, and a mighty People." (39) The "Gothic constitution," however, still survived in the Scottish Highlands where he hoped that the clansmen "would soon depose the Petty-Tyranny of the Masters and Lairds, the Gentry and Nobility, and banish that scandalous Vassalage, that keeps them poor, dejected, miserable." (40) These passages were written to promote the general naturalization measure of the Whigs in 1709, but the same sentiments reappeared in his latest economic tracts. In return for their labour service, he held that the villains had only "a poor Cottage, scarce so good as a tolerable modern Hogstye to live in, they drank at the Pump, and eat at the Kitchen Door, Beggar-like," while they followed their lord with such blind obedience that "they would rebel against their King, and take up the Bow and Arrow against whomsoever he commanded them." (41) "Trade alone made the Difference" and in all the manufacturing countries in Europe "the Miseries of the People" had abated as trade had increased. (42) By the politic guidance of Henry VII, in breaking the power of the feudal nobility and inviting foreigners into England to encourage the manufacture of broad-cloth, "England grew first wise, then populous, then rich -

39. Ibid., (No. 144), p. 573.

40. Ibid., Vol. VI, (No. 57), p. 226. Compare "Jure Divino" (1706), Book II, p. 6. Infra, pp. 817, 819.

41. A Plan of the English Commerce, p. 34.

42. Ibid., pp. 35, 38.

Wisdom laid the Foundation, Trade was the Superstructure, Trade brought the People, and the People the Wealth." (43)

Additional numbers of people also produced differentiation of economic activities. To make the admission of the poor Palatines more acceptable to his countrymen, he proposed that they should be planted in little colonies of fifty to one hundred families each, according to the extent of fertility of each site, but not more than one hundred, so that they might be more quickly assimilated, as all previous immigrants had been. In this way they would "be able to support one another, and neither lessen the Employment of our own Poor, or interfere with our Manufacturers." (44) Certain features of his plan are reminiscent of the colleges of industry which the Quaker, John Bellars, outlined at intervals between 1696 and 1723 (45) "If thirty Families of Husbandmen and farming People are planted in one Place, ..." Defoe suggested, "the necessary Trades that these will require for their Necessity and their Convenience, will maintain all the rest." Thus they would need a wheelwright, a smith, and a collar maker "for their Harness, Ropes, Saddles, Bridles, etc.," at least one butcher, one maltster, one baker and one miller, in addition to shoemakers, tailors, flax-dressers, wool-combers, weavers, hatters, glovers, "and the like" "Thus planting a a Few," he concluded, "makes Way for a great Many." (46)

43. Review, Vol. V. (No. 144), p. 574.

44. Ibid, Vol. VI, (No. 39), p. 154.

45. J. Bellars, "Proposals for raising a Colledge of Industry ... (1696); 'An Essay for imploying the Poor to Profit' (1723)

46. Review, Vol. VI, (No. 40), pp. 157-158.

Later, he elaborated on this scheme, claiming that he had seen a calculation for "a new Town in the South Parts of England" where the lords of three manors gave 200 acres of good land to each of fifty farmers with their families and servants. They "were brought to live in a Kind of Circle within them selves" but they soon attracted shopkeepers and artisans until more than thirty different trades, apart from members of the professions, were represented in the town and the original community of 350 people had expanded to 1400. Any such group of fifty farmers, he thought, would provide employment for a thousand more. (47) He ignored the further demands for food of his incoming tradesmen and his idea of the proportions of the population occupied in agriculture and industry is the complete opposite of Gregory King's calculations of at least two-thirds engaged in farming, now generally accepted as reasonably accurate. (48) John Bellers repeatedly claimed that farmers could provide both food and clothing for double their number but Defoe's estimate was again double the Quaker reformer's figure. (49) Defoe, however, gave his farmers about double the amount of land which an average farmer probably occupied in 1728 and he made them support about twice the number of people which they would in fact maintain without additional labour. Yet while his scheme belonged to the imaginary world of paper projections, then so much in vogue, it clearly shows his exaggerated expectations from the growth of industry and trade. Lastly, an increase in population

47. A Plan of the English Commerce, pp. 15-21.

48. G. King, Two Tracts, edited by G.E. Barnett (Baltimore 1936); C. Wilson, England's Apprenticeship 1603-1763, (1965), p. 23.

49. J. Bellers, Essays about the Poor ... (1699), p. 2.

would produce more revenue for the government by the greater value of the land tax which he reckoned had increased at least six-fold since trade began, to expand after the accession of Henry VII. (50).

Defoe constantly stressed the benefits which England had derived from foreign immigrants, especially from Protestant refugees from Catholic persecution such as the Flemings and the Huguenots, and he was particularly proud of the success of his "True-born Englishman," his first attempt to overcome the xenophobia of his countrymen. He maintained that there was no such individual as a true-born Englishman, "that those Nations which are most mix'd, are the best, and have least of Barbarism and Brutality among them" and that "the multitudes of Foreign Nations who have taken Sanctuary here, have been the greatest Additions to the Wealth and Strength of the Nation; the Essential whereof is the Number of its Inhabitants." (51)

He strongly supported the General Naturalization Bill of 1709 in his 'Review', demanding where were the 200,000 foreigners which, he claimed, Elizabeth I had admitted and replying "They are all run to Seed, they were sown Foreigners, and they came up True-Born Englishmen." (52)

He attacked the Tory attempt to introduce a sacramental test into the Bill, pointing out that this would only add to the number of occasional conformists, and insisting that this was a typical High Church attempt to restrict civil liberty. (53) The opposition of

50. A Plan of the English Commerce, pp. 14-15.

51. The True-born Englishman. An Explanatory Preface, A True Collection, Vol. I.

52. Review, Vol. V, (No. 144), p. 575.

53. Ibid. (No. 151), p. 602.

the tradesmen in incorporated towns produced a vehement attack by Defoe on "Corporation Tyranny," which he denounced as "one of the greatest Enemies to Trade, the greatest Discouragement, of Industry, the greatest Badge of voluntary Captivity that we have left in this Nation." (54) "Are they not all petty, Tyrannies)" he demanded, "And are not Thousands of poor industrious People starv'd or driven to great Extremities for Want of Employ, only because they are not Freemen, when perhaps the Freeman is a Drone, and will not work?" (55) He denounced apprenticeship and, seizing on the opposition to the Royal African Company's monopoly, argued that every town corporation was "an exclusive Company upon Trade." The privileges of freemen were incompatible with English freedom and had "check'd the Increase of Towns, and the Confluence of People to the Capital Cities of the Nation?" "Privileges depopulate, and the Towns decay, meerly because the Inhabitants will not let them encrease: The rich Trading Towns in the North, such as Manchester, and Rochdale, Sheffield, Wakefield, Gainsbro', and the like, where they have no Corporation, and consequently none of this Mischief, do they not encrease, grow wealthy, and populous, and thrive as fast as any Places in England, and some of them have (as they say) more People than the City of York? - To what Purpose then is the Pageantry of Bodies Politick?" (56) He reminded his readers that the new draperies had been introduced into England by earlier refugees. "With them came

54. *Ibid.*, (No. 145), p. 578.
 55. *Ibid.*, (No. 144), p. 575.
 56. *Ibid.*, (No. 145), p. 578. A Tour, II, p. 37. Bristol might have had twice as many people but for "the tenacious folly of its inhabitants, ... the pretence of freedoms and privileges, that corporation-tyranny, which prevents the flourishing and encrease of many a good town in England"

our Manufactures to Perfection, ... they were our School-Masters in the several Parts of England, they erected the Bay-Trade at Colchester, the Serges at Ipswich, now at Sudbury, the Stuffs at Norwich, and the Stockings all over Norfolk, they planted that Prodigy of a Clothing at Leeds and Halifax, which now employs 300000 People in the West Riding of York."

(57) Although he made their contribution more extensive than was strictly accurate, he did not welcome any further influx into the woollen industry in 1709: "... the Numbers of People, that shall come in among us by Virtue of this Act, may be ill sorted, that is, they may over-stock us in Particulars tho' they advantage us in the General; for Example, we want Labourers and Husbandmen, more than we want Weavers and Manufacturers; and among our Foreigners we shall get all Weavers and Artificers, no Husbandmen or Labourers." (58) Four months later, he was more specific: "I grant again, there are Ways to plant People so among us, as to make them for the present burthensome to us, and destructive to our Manufactures - For Example, should you take these ten Thousand Palatines, ... and place them at Colchester, or at Exeter, or ... in Spittlefields, and there force them to get their Bread by Spinning, Winding etc. ... The poor People would starve them selves, and the Poor they came among immediately, because wanting Bread, they would be oblig'd to work for little or nothing." (59) Agreeing that this was the same argument which he had previously used "in the Case of our Work-houses," he reiterated his dictum, "if you set one Man or Woman of them to work on any thing on which

57. Ibid., (No. 144), p. 575.

58. Ibid., (No. 151), p. 603.

59. Ibid., Vol. VI, (No. 41), pp. 162-163.

any one Man or Woman was employ'd in here before, unless you at the same time in Proportion encrease the Consumption of that thing, they are so far employ'd upon - you so far injure your own People." (60) He resolved his dilemma in the case of the Palatines by the claim that the admission of foreign immigrants had never yet led to a drop in wages, that wages had risen rather than fallen since the arrival of the Walloons and the Huguenots. Because of the improvements which they had introduced, "France is in a Manner disposess'd of many of those Arts, which heretofore carry'd great annual Treasure out of this Kingdom, and yet Servants have as great or greater Wages now, than ever; as much daily Wages, or rather more, is given for all sorts of Labour, with this Difference, that our Poor give a less Price now for many better Manufactures. So ... 10000 Palatines usefully employ'd in Great Britain, is an Addition of at least 80000 Pounds per Annum to the Riches of this Kingdom, without Detriment to the poor Natives ... if there was but one Man in Great Britain, this would be the Strength of the whole Island, and by the Addition of one Man more, the Strength is just doubl'd; and by the same Rule, the Accession of so much People, is the Accession of so much Power to the Kingdom." (61)

Defoe ignored the fact that the poor Palatines were not bringing new techniques for the further development of British industry and in his pamphlet he even went so far as to claim that the newcomers would not drive down wages even if they entered trades which were overstocked, which directly contradicted his earlier statement. He rejected the supposition that there

60. Ibid., (No. 43), p. 170.

61. A Brief History of the Poor Palatine Refugees. pp. 13-14.

was "only such a Quantity of Work in this Kingdom" and throughout his life he remained firmly of the opinion that there was in fact an overall shortage of labour in the country. He spoke with two voices because he found it difficult to reconcile this conviction with his appreciation of the problem of finding a vent for the goods produced, and this explains his emphasis on the Palatines as general consumers of food, clothing and other commodities. He calculated that 40,000 acres of land would be needed to supply the 10,000 Palatines with food and that two-thirds of this number would be required "as Farmers, Graziers, Smiths, Carpenters and other Traders, their Wives, Children and Servants" to manage this area of land, with nearly a further third to meet their demands for clothing. Either the Palatines would supply themselves by their labour, in which case no English labour would be displaced, or, if employed in manufactures, an equivalent number of English people "must be pay'd for providing Cloaths and Victuals for the Palatines, by the Price of their Labour." This would be the case whether they were dispersed throughout the country or collected together in a town. The "fear of goods," however, reappeared in the statement, "if their Labour shall be thought to produce any more than what shall be necessary for their own Subsistence, at least it will not exceed the twentieth part of that Value; and this perhaps will find a Vent in foreign Markets, increase our Exportations, and add to the capital Stock of this Kingdom, without Detriment to our present Manufactures." (62) Elsewhere he claimed "they shall wear more Wool than they shall

raise, more Leather than they tann, and more Clothes than they make," (63) and he also declared, "a general Supply of People, tho' at present it may seem to over-fill particular Occupations, yet in the End will be effectually diffusive thro' the whole." (64).

Another reason why he emphasized their importance as consumers was because of his estimates of the numbers of people which had been lost to the country during the preceding century. He calculated that 300,000 had been lost in the Civil War, about 200,000 to re-people Ireland, 200,000 in the Great Plague, "and that much the same Number were gone to the Plantations." A further 400,000 had been killed in the struggle against France since the Revolution, "besides the Produce of their Bodies" which, he thought, gave a total of 1,500,000 people in these twenty years. Therefore, he concluded, "we want nothing so much in England, as the Bodies of Men, having above thirty thousand Souls in foreign Countries, and are able to employ as great a Number of Foreigners, without any Prejudice to our own Natives; for the more People, the greater Consumption of our Commodities and Commerce, and therefore the more Riches, Revenues and Soldiers." (65) In spite of his constant dreams of further British colonization, the above reason probably explains why he rejected the proposals to send the Palatines to the colonies, where many of them had hoped to settle. The River Plate area, particularly Patagonie, was one of his favourite sites for a new colony, (66) but in this instance he raised

63. Review, Vol. VI, (No. 43), p. 171.

64. Ibid, Vol. V. (No. 151), p. 603.

65. A Brief History of the Poor Palatine Refugees ... pp. 18-19.

66. Infra, pp. 1026-1029.

objections on the grounds of cost, which he assessed at £10 a head for the voyage, plus a further £5 a head to establish the Germans there, in addition to the expense of naval and military support, making a total of over £200,000. It was probable that more than half of them would not survive the passage and there could be no assurance that "a Colony of all Foreigners" would continue in their allegiance to Britain. He used the common contemporary criticisms that they offered no valuable returns and tended to compete with British manufactures to rule out the New England and middle North American colonies. Virginia and Maryland would not be able to absorb the refugees because of the fall in the price of tobacco. Only the West Indies, in particular Jamaica, because of their shortage of craftsmen and their complete dependence on the mother country, offered any prospect of advantageous settlement, but again the voyage was likely to be fatal to many and the loss of their labour in Britain had to be added to the £100,000 which it would cost to establish them there. He was in favour of planting many of them in Ireland and employing them at sea (67) and he reported that 20,000 of them "vers'd in Husbandry, planting, enclosing and improving Lands" would be welcomed in Scotland where they would be treated more hospitably than in England. (68) He would have liked to see many of them established as husbandmen in various parts of England, such as the "New Forrest, Sheerwood, Forrest of Dean, Five Forrests in the

67. A Brief History of the Poor Palatine Refugees. pp. 37-42. 450 of the 3000 Palatines sent to New York died on the voyage; H.J. Dickinson, 'The Poor Palatines and the Parties' 'English Historical Review' Vol. 82 (1967), p. 481.
68. Review, Vol. VI, (No. 44), p. 175.

North Riding, seven in Sussex "which be believed to be underdeveloped, (69) and he criticized the restrictions on the free movement of labour of the Act of Settlement which, he said, prevented any man from employing them "otherwise than by the Colonies." (70) Therefore he urged that they should be settled in England in small communities of houses without land, the building craftsmen among them being paid wages while they were engaged in erecting the houses. They would then be able to give employment to other tradesmen and the remainder of the adults should be employed in woollen and linen manufactures "because these Employments are soonest learn'd, and possibly the most beneficial to the Nation." (71) Probably he thought that such a scheme was not open to the same objections which he had levelled against the plans to use workhouse labour because it would be free, unsubsidised labour working for the general level of wages in these trades.

These unfortunate refugees became yet another subject of bitter party conflict. The Tories, who had opposed and subsequently repealed the general Naturalization Act, strongly criticized the Whigs for admitting the Palatines and played on the prejudices of the English workmen against the foreigners. Defoe was the ablest pamphleter for the Whig government which the Godolphin-Marlborough ministry had become under the pressure of the war, but in this instance he was not primarily writing political propaganda. Both in the 'Review' and in his pamphlet, he was repeating economic ideas which he had long held and which

69. *Ibid.*, (No. 43), p. 171.

70. *Ibid.*, (No. 50), pp. 199-200.

71. A Brief History of the Poor Palatine Refugees, pp. 42-44.

he maintained to the end of his career. He admitted that some of the newcomers were Papists because of the accession of the Roman Catholic house of Neuberg to part of the Palatinate, but he claimed that they were all "a sober, temperate, modest, courteous, industrious and sober People," that there had been no complaints of their conduct in the neighbourhood of their camps and that their successful settlement would lead to more foreign immigrants "which ought by all means to be encourag'd."

(72) But it naturally proved difficult in practice to absorb 10,000 immigrants, even though a third were skilled tradesmen or professional men, especially in the months of distress which followed their arrival in England. Although 1000 were successfully established in Ireland, two-thirds of the number sent there came back to England and some returned to Germany. Up to 3000 were distributed about England and most of the remainder went to the various American colonies, (over 2000 being finally settled in New York by the strenuous efforts of Governor Hunter after many difficulties and misunderstandings with the German refugees. (73) This may explain the following hostile comment, which Defoe wrote eight years later. "There was about this Time a great Number of Germans, whether of the Palatinate or others, came over hither to seek to mend their Quarters, by whose Direction or Encouragement that we cannot say. It's true, the first Pretence was their going over to our West-India Collonies to settle, as in Pennsylvania, Carolina, etc. but hitherto we cannot say that we have seen them in any other

72. *Ibid.*, p. 50; compare 'Review' Vol. VI, (No. 54), p. 216.

73. H.J. Dickinson, 'The Poor Palatines and the Parties', *English Historical Review*, Vol. 82 (1967) pp. 464-485.

Capacity than that of Singing and Begging about the Streets; we do not yet hear that any of them have yet learn'd to be Thieves, ... but all in good Time." (74) This extract, however, appeared in one of the three or more Tory journals which he was successfully trying to emasculate for his new Whig paymasters. (75) He had to express some opinions acceptable to his Tory readers in order to carry out his difficult task of moderating their views on more important issues, but it is possible that he was also giving vent to his disappointment that the Palatines had not proved such desirable immigrants as he had formerly represented. Yet if this were the case, it did not lead Defoe to modify his conviction that immigrants were always an accession of strength to the country which received them.

Although some writers urged measures to promote the birth-rate, (76) the heavy infant mortality and the consequent slow increase in population before the nineteenth century, caused most of the pamphleteers to prefer the immigration of adult workers, even unskilled labourers, to an increase in the number of dependents, even though children frequently began to work at a very early age. Defoe may have exaggerated the number of dependents, as he was so prone to do, for he divided each thousand of the population into eight hundred women and children and two hundred adult males (77) but Gregory King also calculated that 47.8 per cent of the population of England and Wales

74. Mercurius Politicus, August 1717, p. 522.

75. J. Sutherland, Defoe, pp. 214-218, 221.

76. N. Grew, 'The Meanes of a most ample increase of the Wealth and Strength of England' (1707), B.M. Lansdowne MS 691 pp. 103-105; C.E. Strangeland, Pre-Malthusian Theories of Population, (New York, 1904), pp. 123-137.

77. Review, Vol. V, (No. 129), p. 515.

in 1695 were below the age of 20 and a further 10.7 per cent were over the age of 60. This is supported by other evidence and is comparable with the age distribution of under-developed countries to-day. (78) It is true that many of the women would also be at work, but there seems no doubt that the pre-industrialized, predominantly agricultural economy of England faced a real problem of underemployment, as D.C. Coleman has emphasized. Apart from the high proportion of dependents, the low productivity associated with static techniques and the limited use of machinery and power kept the incomes of the vast majority of the population low and further restricted demand. (79)

Defoe was certainly aware of this problem of under-employment in a basically rural economy. He not only wished to extend manufactures for their contribution to exports but because they also provided supplementary employment to farming when, despite increasing urbanisation, much industrial development was dispersed in the countryside rather than concentrated in towns. As he contrasted the prosperity of the trading countries of England and Holland with the backward lands controlled by those "Enemies to Trade," the Turks, so he drew a similar parallel between the "unemploy'd Counties" with "the Women and Children idle, and out of Business; these sitting at their Doors, and those playing in the Streets; even in the Market Towns, and the most populous Villages ... much more

78. P. Laslett, The World we have Lost (1965), p. 103.

79. D.C. Coleman, 'Labour in the English Economy of the Seventeenth Century', Economic History Review, 2nd. series, VIII (1956), pp. 283-292.

"There was not a child in the town, or in the villages
 round it, of above three years old, but it is not collected
 in the single scattering Villages, where they have no Business
 but their own" with "the manufacturing Counties" with "the Wheel
 going almost at every Door, the Wool and the Yarn hanging up at
 every window; the Looms, the Winders, the Combers, the Carders,
 the Dyers, the Dressers, all busy; and the very Children, as
 well as Workmen, constantly employ'd." He emphasized the vital
 contribution which the work of his wife and children could make
 to the family income of a poor husbandman earning eightpence to
 twelvepence a day: "... if at next Door, or at the next Village
 there lives a Clothier, or a Bay Maker, or a Stuff or Drugget
 Weaver; the Manufacturer sends the poor Woman comb'd Wool, or
 carded Wool every Week to spin, and she gets eight Pence or nine
 Pence a Day at home; the Weaver sends for her two little Children
 and they work by the Loom, winding, filling Quills, etc. and the
 two bigger Girls spin at home with their Mother, and these earn
 three Pence or four Pence a Day each: So ... the Family at Home
 gets as much as the Father gets Abroad and generally more.
 This alters the Case extremely, the Family feels it, they all
 feel better, are cloth'd warmer, and do not so easily nor so
 often fall into Misery and Distress; the Father gets them
 Food, and the Mother gets them Clothes; and as they grow, they
 do not run away to be Footmen and Soldiers, Thieves and Beggars,
 or sell themselves to the Plantations, to avoid the Goal and
 the Gallows, but have a Trade at their Hands, and every one
 can get their Bread." (80) It was the same assumptions which
 were responsible for his satisfaction at discovering that at

Taunton "there was not a child in the town, or in the villages round it, of above five years old, but if it was not neglected by its parents, and untaught, could earn its own bread" or that around Halifax "hardly any thing above four years old "but its hands were "sufficient to it self." (81) Defoe knew that this was not ultimately desirable for in another context he referred to "Infants (so they may properly be called) of five, six and seven Years of Age, made capable of ... subsisting by the Labour of their own Hands" (82) but he also understood that the poverty of large families was acute. Defoe summed up this situation in the characteristic dictum that there was more labour in England than hands to perform it, by which he did not mean that there was a real shortage of labour because of full employment, but rather that the available supply of labour was not fully utilized. Indeed, there seems to be much truth in the view expressed by W.D. Grampp that the primary aim of the English mercantilists was not the accumulation of treasure, or the achievement of a favourable balance of trade, or the strengthening of British power but the pursuit of full employment. (83) It would have been difficult to maintain that every available hand was at work in the presence of the large number of beggars which drew forth such a constant chorus of complaint from almost every contemporary observer, but each writer was convinced that these vagabonds did not beg out of real necessity. Defoe proved this by the dearness of wages in England, which he claimed were higher than those in any other

81. A Tour through the Whole Island ... I, p. 266; II, p. 195.

82. A Plan of the English Commerce, p. 56.

83. W.D. Grampp, 'The Liberal Elements in English Mercantilism,' Quarterly Journal of Economics, Vol. IXVI, No. 4 (Nov. 1952), pp. 465-501.

country, apart from the American colonies: (84)

"... I know no greater Demonstration in Trade, Wages, like Exchanges, Rise and Fall as the Remitters and Drawers, the Employers and the Workmen, Ballance one another. The Employers are the Remitters, the Workmen are the Drawers, if there are more Employers than Work-men, the price of Wages must Rise, because the Employer wants that Work to be done more than the Poor Man wants to do it, if there are more Work-men than Employers the price of Labour falls, because the Poor Man wants his Wages more than the Employer wants to have his Business done.

Trade, like all Nature, most obsequiously obeys the great Law of Cause and Consequence; and this is the occasion why even all the greatest Articles of Trade follow, and as it were pay Homage to this seemingly Minute and Inconsiderable Thing, the poor Man's Labour.

If there was one poor Man in England more than there was Work to employ, either somebody else must stand still for him, or he must be starv'd; if another Man stands still for him he wants a day's Work, and goes to seek it, and by consequence supplants another, and this a third, and this Contention brings it to this; no, says the poor Man, that is like to be put out of his Work, ... I'll do it cheaper; nay, says the other, but I'll do it cheaper than you; and thus one poor Man wanting but a Days work would bring down the price of Labour in a whole Nation, for the Man cannot starve, and will work for any thing rather than want it." (85)

His argument postulated a greater degree of mobility of labour than Defoe himself knew existed, for he explained the differences in wage rates in several parts of the country by the regional variations in the demand for labour. This governed the price of provisions instead of wages being determined by the cost of living. "The price of Wages," he noted, "rules the Rates of every Market." Food was cheap in the remote parts of the country because labour was cheap, and labour was cheaper there because there was a smaller demand for labour than in London. Food was equally, or even more plentiful in the southern counties than in the north and "a poor labouring Man" could live as

84. A Plan of the English Commerce, pp. 50-51.

85. Giving Alms No Charity and Employing the Poor a Grievance to the Nation, (1704), pp. 10, 11.

and a larger Liberty (1683) could be able to pay the national
cheaply in Kent or Sussex as in the Bishoprick of Durham,
"and yet in Kent a poor Man shall earn 7s. 10s. 9s. a
week, and in the North 4s. or perhaps less; the difference
is plain ... that in Kent there is a greater want of People,
in Proportion to the Work there, than in the North. And
this on the other hand makes the People of our northern
Counties spread themselves so much to the South, where
Trade, War and the Sea carrying off so many, there is a
greater want of Hands. And yet 'tis plain there is Labour
for the Hands which remain in the North, or else the Country
would be depopulated, ... and even in Yorkshire, where Labour
is cheapest, the People can gain more by their Labour than
in any of the Manufacturing Countries of Germany, Italy, or
France and live much better." (86)

The conviction that "no Man in England, of sound Limbs
and Senses" need be poor "meerly for want of work" was central
to Defoe's whole approach to the question of the treatment of
the poor. He completely rejected the view expressed by some
writers that low wages and a shortage of work were responsible
for the large numbers of the poor. (87) Effective use of the
whole population would be equivalent to an increase of popula-
tion resulting from a higher birth rate or from immigration.

86. Ibid., pp. 10-11.

87. Sir Matthew Hale, A Discourse Touching Provision for the Poor (1683), p. 74; J. Cary, An Account of the Proceedings of the Corporation of Bristol; (1700) p. 13; T. Firmin, Some Proposals for the imploying the Poor (1678) pp. 38, 18.

and a larger labour force would be able to maximise national production. When Defoe welcomed poor immigrants, it was on the assumption that they would be gainfully employed. He firmly believed that England could use all her unrivalled supply of her chief natural resource, wool, from all the British Isles, if effective measures were taken against smuggling, but this presupposed that the labour to do this would be available. (88) This could only come from those able-bodied poor who preferred idleness to work.

The able-bodied poor were indeed the crux of the matter, and the early English economists were eager to apply their individual solutions to this problem of unemployment rather than of poor relief. In their pre-mechanized, predominantly agricultural economy, they naturally looked on labour as the main factor of production (89) and bitterly lamented the waste of the nation's resources in this pool of surplus labour: As they tended to hold exaggerated notions of the number of these idle hands, ranging from Locke's estimate of 100,000 to Lawrence Braddon's 1,200,000, four times as many as his total of the old and infirm, (90) so they held the most sanguine expectations of the benefits to be secured from setting so many poor to work. Richard Haines claimed that as England had more poor together with more wool and more fuller's earth than neighbouring countries, she stood to gain most from this reform. (91) Each writer, while he often pointed out the

88. A Humble Proposal, pp. 30-43. A Plan ... pp. 210-214.

89. D.C. Coleman, loc. cit., p. 287.

90. J. Locke, 'A Report of the Board of Trade to the Lords Justices respecting the Relief and Employment of the Poor' (1697) reprinted in An Account of the Original Proceedings and Intentions of the Society for the Promotion of Industry in the Southern District of the Parts of Lindsey (1789) p. 110.

L. Braddon, A Proposal for Relieving ... the Poor (1721) p. 65.

91. R. Haines, A Breviat of Some Proposals (1679) p. 4.

defects of previous schemes, waxed just as enthusiastic about his particular panacea. "Instead of breeding every Year thirty or forty thousand Beggars," declared Haines, "we shall ... breed up the same or a greater number of ingenious Cloth-makers" each one of whom would make at least £20 worth of cloth a year even at the beginning. His plan would almost double English trade, raise the price of wool at least sixpence in every shilling and save the like amount in contributions to the poor rate. (92) Almost forty years later, Braddon told George I, "near Two Millions of Your Majesty's now Capable, tho' Chargeable or Unprofitable Poor Subjects, may be made ... the main Instrumental Cause of the future Riches, Power, Glory and Happiness of this United Kingdom" and produce nearly £20 million per annum. These poor "might add ... treble that annual Wealth, which Spain now reaps from all her West-Indian Mines," within twenty years "totally pay off, all our National Debts" and, therefore, remove most of the existing taxes. They would raise rents, double the value of land, improve husbandry, supply the armed forces with well-disciplined volunteers and, in thirty years, discharge all the poor rates. In addition, they would enable British merchants "to undersell all Europe ... notwithstanding the pinching Parsimony of the Dutch, and the starving Life of the French Mechanicks." The visionary nature of these schemes is, perhaps, best conveyed by his suggestion that many thousand poor might be employed in keeping bees, "from whence proceed both Food and Physick." (93) The "Labours of the Poor" were

92. Ibid, pp. 2-3.

93. L. Braddon, The Miseries of the Poor are a National Sin, Shame and Charge (1717) pp. iii-xiii, 158.

indeed, to become "the Mines of the Rich." (94) of industry
 Despite the meagre results which had previously been
 obtained from pauper labour on parish stocks of materials,
 the common denominator of these paper plans was usually a
 scheme for establishing workhouses by unions of two or more
 parishes, or at least on a county basis, in which the poor
 were not merely to provide for their own maintenance but were
 to produce such fabulous profits to the nation. Five main
 benefits seem to have been envisaged. The reduction, and
 possible elimination of the poor rates, was naturally one of
 the chief attractions of the proposals and an undoubted stimulus
 to the movement, but even the most humane writers expected,
 great economies from collecting all the poor of an area together.
 Thus Lord Chief Justice Hale argued that gifts to these new
 establishments would do five times the good "than employed as
 they are in Doles and little yearly Pensions." (95) The
 provision of work would enable the laws against vagrancy to
 be effectually enforced with a consequent reduction in crime.
 (96) It would be possible to train large numbers of workers
 to produce manufactured goods, such as linen, which had been
 largely imported. Thus there would be "an Opportunity for
 one or two Persons, skilled in any Manufacture, to instruct
 twenty" (97) while Haines thought that "many Hundreds of
 well-skill'd, but poor decayed Clothiers," who only lacked
 capital, might each "as easily employ 200 People... as he
 could Ten elsewhere." (98)

94. Philo-Anglicus, Bread for the Poor: ... (1678) p. 3.

95. Sir M. Hale, op. cit., p. 62; J. Bellers, Proposals for raising of Colledge of Industry (1696), p. 16.

96. Ibid., pp. 33-34; C. Povey, The Unhappiness of England, as to its Trade ... (1701), p. 66.

97. Ibid., pp. 42-43.

98. R. Haines, England's Weal and Prosperity Proposed (1681) p. 7.

Lastly, one of the chief merits of his colleges of industry to John Bellers was the opportunity to train a new generation in habits of industry and thus produce more efficient workers in the future. (99)

The initial success of John Cary's Bristol workhouse of 1695 probably led to the various legislative proposals of 1704 of which the most famous was the Bill, introduced by the industrialist, Sir Humphrey Mackworth. (100) This measure was successfully passing through the Commons, when Defoe "threw into the discussion ... the hardest possible stone of economic disillusionment and worldly cynicism." (101) This was his famous pamphlet, 'Giving Alms no Charity' of November 1704, which seems to have been largely responsible for the Lords' rejection of Mackworth's bill. The Webbs ascribed his objection to his conviction that the existing lax administration of the poor law enabled the idle able-bodied poor to refuse the work that was to be had. Admittedly Defoe asserted that the enthusiasm for workhouses came from the mistaken notion that it was "now our Business to find them Work, and to Employ them, rather than to oblige them to find themselves Work and go about it," but this was not the main ground of his vigorous denunciation of the bill. This stemmed rather from his near-worship of the woollen industry and from his overriding concern to maintain the circulation of trade within the country. His two maxims already noted, that there was a want of people, not of

99. J. Bellers, op. cit., (1696), pp. 8-9.

100. A Bill for the Better Relief, Imployment and Settlement of the Poor ... (1704)

101. S. & B. Webb, English Local Government Vol. 7, English Poor Law History (1963 reprint) p. 114.

employment, and that no able-bodied man need be poor for want of work, led him to his third article of faith, that "All our Work-houses, Corporations and Charities for employing the Poor, and setting them to Work, as now they are employ'd, or any Acts of Parliament to empower Overseers of Parishes, or Parishes themselves, to employ the Poor, except as shall be hereafter excepted, are, and will be publick Nusances, Mischiefs to the Nation which serve to the Ruin of Families, and the Encrease of the Poor." He conceded that a workhouse might "lessen the Poor in this or that particular part of England" and he cited the report that no beggars would now go near Bristol, but he insisted that Mackworth planned to employ all the poor in England in the new workhouses. This must, inevitably, lead to an increase in the number of poor because:

"1. The Manufactures that these Gentlemen Employ the Poor upon, are all such as are before exercis'd in England.

2. They are all such as are manag'd to a full Extent, and the present Accidents of War and Foreign Interruption of Trade consider'd rather beyond the vent of them than under it.

Suppose now a Work-house for Employment of Poor Children, sets them to spinning of Worsted. For every Skein of Worsted these Poor Children Spin, there must be a Skein the less Spun by some poor Family or Person that spun it before; suppose the Manufacture of making Bays to be erected in Bishopsgate-street, unless the Makers of these Bays can at the same time find out a Trade or Consumption for more Bays than were made before: For every piece of Bays so made in London, there must be a Piece the less made at Colchester.

... 'tis only transporting the Manufacture from Colchester to London and taking the Bread out of the Mouths of the Poor of Essex, to put it into the Mouths of the Poor of Middlesex.

If these Gentlemen could establish a Trade to Muscovy for English Serges, or obtain an Order from the Czar, that all his Subjects should wear Stockings who wore none before, every poor Child's Labour in Spinning and Knitting those Stockings, and all the Wool in

them would be clear gain to the Nation, and the general Stock would be improved by it, because all the growth of our Country, and all the Labour of a Person who was Idle before, is so much clear Gain to the General Stock. But to set Poor People at Work, on the same thing which other poor People were employ'd on before, and at the same time not encrease the Consumption, is giving to one what you take away from another; ... putting a Vagabond into an honest Man's Employment, and putting his Diligence on the Tenters to find out some other Work to maintain his Family." (102)

He protested that this was all the more dishonest because of the operation of the Act of Settlement, which imposed an intolerable hardship on the English poor. If the manufacture of bays should die out at Colchester, the workers with large families could not follow the manufacture to London because the churchwardens would refuse them a settlement, "so that, they are confin'd to their own Country, and the Bread taken out of their Mouths, and all this to feed Vagabonds, ... who by their choice would be idle, and who merit the Correction of the Law." (103)

Defoe not only reprinted many extracts from his pamphlet in the 'Review' during the following months, but added further outspoken comments for over two years after Mackworth's Bill had been rejected. In a cutting reference to the projector's mining ventures, which he later attacked as a dubious and highly speculative investment, (104) he suggested that unless Mackworth could show that exports of British manufactures had increased since the outbreak of the French war, "he must find

102. Giving Alms no Charity ... pp. 13, 15-16.

103. Ibid., p. 17.

104. Review, Vol. III, (No. 92), p. 366.

out some New Mine in Trade, some Subterranean Cavity, at which our Trade has found some new Channel which I know not of." (105) The promoters of workhouses deserved "the Correction of their own Houses" for calling their scheme "by the Nick-name of Charity," when English charity was likely to become "Contemptible to a Proverb" to foreigners. "Propagating Trade, and Relieving the Poor by English Workhouses," he added, "will appear to be just like a Man that all Day pulls his Money out of one Pocket, and puts it into another, frequently dropping some by the way, till at last he has little or none left." (106) The Bill was "an Indigested Chaos, a Mass of Inconsistency and Incongruous Nonsense in Trade, big with Monsters of Amphibious Generation, Brooding Needless and Fatal Errors, and Numberless Irretrievable Mischiefs, absolutely Destructive of our Trade, Ruinous to the Poor, tending to the Confusion of our Home Trade, stopping the Circulation of our Manufactures, and Encreasing both the Number and Misery of our Poor." (107) In yet another reference to Mackworth's project "to send 500,000 Families a begging to settle the Poor," he spoke of "our County Lunacies, our Hospital Madness, Charity Deliriums, Work-house Frenzy and Correction Wymysies." (108) Defoe claimed that he was "no Enemy to Charity-Hospitals and Work-Houses" but that he was firmly convinced "that Methods to keep our Poor OUT OF THEM, far exceed, both in Prudence and Charity, all the Settlements and Endeavours in the World, to Maintain them IN THEM." (109)

105. Ibid., Vol. II, (No. 5), p. 18.

106. Ibid., (No. 9), pp. 33-34.

107. Ibid., (No. 10), p. 38.

108. Ibid., Vol. III, (No. 92), p. 366.

109. Ibid., (No. 1), p. 2.

In describing the Bill as "the most Incongruous thing, the most different from its Title, and the most Destructive to the Poor, and the Trade of England, of any thing that I ever saw," Defoe made it quite clear that it was the danger to the woollen manufacture that caused him so much apprehension: "That part of it I object against is, That for the Employment of the Poor, every Parish shall have, or be Empowred to have a Stock to Employ them in the Woollen Manufactures." If one workhouse had been proved prejudicial to trade, he asked his readers to consider the effect of 9000, but he was quite ready to accept that workhouses could be used for manufactures other than wool, provided that "it was never made here before, some Foreign Manufacture which the Nation wants, and which we are now oblig'd to buy with our Money, and which does not interfere with our Manufactures." In this case, the poor would earn money "which the Poor of other Countries Earn'd before, and no Poor Family in England, would have an Hours Work the less for them." Thus he commended the example of Sir Owen Buckingham, then Lord Mayor of London, who had done "more real Service to England ... than all our Workhouses and Corporations," by erecting a workhouse at Reading to make sail-cloth previously imported from Holland or from Normandy, and "not one Skein of Worsted the less spun in this Nation." Similarly, he referred to his own factory where he had employed 100 poor in making pantiles, also previously imported from Holland, until he was ruined by his imprisonment in Newgate for writing "The Shortest Way with the Dissenters." (110)

While Defoe made the most telling attack on workhouses, he was not the only critic. In 1678, Thomas Firmin had proposed to employ the poor in their own homes, and in fact did supply several with flax, because infirm people and those with a sick husband or child could be employed but also because not one person in twenty would willingly enter a workhouse. Yet he wished that there were parish schools "to teach poor Children to work" and more workhouses for vagrants and sturdy beggars who "must be held to their Labour, as Galley-slaves are tied to their own Oars." (111) Four years before Defoe's pamphlet, an anonymous author argued that building workhouses would not employ the poor, that many already erected only served to enrich the officers and that if the poor "Card or Spin Wool, they Interfere with those of the Woolen Manufacture, and injure them who from Children have Earned their Bread by those Labours." Yet this did not prevent him from having his own fantastic vision of employing the poor to profit. Assessing the total income from the poor rates at probably £1 million, he claimed that this could produce within five years "a Wall of Fishing-Nets round England" and "an everlasting Fishery to maintain all the Poor, and growing Poor for ever, by their own Labour." (112) The arguments put forward by Philanglus in 1701 so strikingly anticipated those used by Defoe three years later that it has been suggested that he was the author of the earlier pamphlet, possibly supported by the couplet from his 'True-born Englishman' on the title page. Unless consumption could be increased, the woollen trade could not employ more poor than it already did,

111. T. Firmin, Some Proposals for the Imploying the Poor... (1678), p.5.

112. Anon, An Essay for the Raising a National Fishery by the Poor of England (1700), pp. 3, 6, 7-8.

and, if trade expanded, the poor would find their way into the woollen manufacture, "without the Expence of building Workhouses". There was enough wool in England to employ all the poor but the workhouse scheme would transfer "the Trade and Mystery of Clothing" from the clothiers to "a Company of Vagabonds, Beggars, and their Governors." He considered that it would be "a much better Project ... to allow the Poor Six pence a day for sleeping" and he also used the example of taking work from the honest poor of Colchester "to set Two Hundred Thousand Beggars and Vagabonds, to work on the Woollen Manufacture in London, Bristol, and other places." He suggested that the poor could greatly enrich the country, but only in a national fishery or in various projects of improvement such as "draining fenny and boggy Grounds," improving waste lands, planting timber, making roads, draining mines and making rivers navigable." (113) This was also Mandeville's solution to the problem of the poor. He asserted that there was "above three or four Hundred Years Work, for a Hundred Thousand Poor" more than there were in Britain "to make every part of it Useful, and the whole thoroughly inhabited", and unfavourably compared the English turnpikes with the fine Roman roads. (114) The force of Defoe's criticisms of Mackworth's Bill is clearly shown in Braddon's proposals in 1717. He specified that the chief defect of earlier schemes was that "the Officers of every Parish might employ all those who receiv'd Relief ... upon any Sort of Manufactures Whatsoever." If the goods had been pro-

113. (Philanglus) Arguments Proving that the Poor of England Can-

not be Imploy'd on the Wooll Manufacture. (1701), pp. 1-5.

114. B. Mandeville, The Fable of the Bees (1714), edited J.B. Kaye (Oxford 1924), pp. 318-319.

duced more cheaply, they "must have been very destructive to the industrious Manufacturers and honest Shop-keepers" and if not, they must have led to an increase in the poor rates by the goods being left on the hands of the parish officers or being sold at a loss. Yet such was the attraction of the workhouse idea that his "College Cities" were to make better provision for the poor and at the same time greatly enrich the country. The produce, however, must not be sold, so that the grain was to be stored in public granaries. (115)

Although the Webbs agree that Defoe's main argument "was conclusive in its destructive effect," he had been unnecessarily alarmed by the danger to the clothing trade from workhouse labour. The various special projects of working almshouses or schools of industry were "always crumbling back into the general mixed workhouse," while the defects of incapable and dishonest management, general corruption of parish officers, and poor workmanship from unwilling, sick and incompetent workers prevented any possibility that pauper labour could be made to yield a profit. "From the standpoint of making each pauper earn his own bread the failure of the workhouse manufactories was ludicrous in its completeness. Instead of the average earnings of 2/6d a week each hoped for by Sir Matthew Hale, or of 4/-d expected by Henry Fielding, the most successful workhouses only showed gross 'profits' of less than a penny a day for each person employed." (116) This was partly recognized as early as 1732,

115. L. Braddon, An Abstract of a Draught of a Bill (1717), pp. v-vi, viii, xiii-xv.

116. S. & B. Webb, op cit., pp. 218-235. Sir M. Hale, op. cit. p. 44-48; H. Fielding. A Proposal for making an effectual provision for the poor ... (1753) p. 41.

for whereas the preface to a survey of the nation's workhouses claimed that a better method of maintaining the poor could "scarce be contrived," it listed eight proposals for better management which included corporal punishment for "spoiling and embezzling the Goods." In the account of workhouse after workhouse, it was admitted that the gain was inconsiderable from a handful of old, infirm and even idiot paupers or young children and the chief advantage which was claimed was often a reduction in the poor rate because of the apprehensions which the poor had of the workhouse and their consequent efforts to "maintain themselves by their own Industry." (117)

Defoe could not see that the above defects made the various proposals for employing the poor impracticable because he shared the hopes of using this pool of reserve labour to enrich the nation. As previously noted, so long as the workhouse poor were not employed in any branch of the woollen industry, he was eager to see them engaged in cotton or linen manufacture: "We have Cotton-Wool from our own Colonies return'd for our own Manufactures, why should not our People be as able to spin it, as the Natives of India or China, and why might not all the vast Quantities of Callicoes we now go so far for, and complain of carrying out ready Money for, be made at home? (118) Yet he was fully aware of the imperfections of eighteenth-century local administration. His pamphlet attacking the London vestries shows the typical tradesman's attitude towards local rates throughout the centuries, but the numerous local charges

117. An Account of Several WorkHouses for Employing and Maintaining the Poor, (1732), Preface, iii, v-ix, pp. 4, 7, 28, 54, 94, 106, 115, 121, 128, 147.

118. Review, Vol. IV, (No. 11), p. 44.

and the corruption almost inevitably linked with any closed, irresponsible agency of local government naturally aroused his indignation: "But there are too many Parish Priests, to admit of such honest Administration, (as the issue of receipts) the Spit is too often saddled, and the Bottle goes too merrily round, for the Ease of the Parishioners. Surely there must be a great Fatigue in Parish Affairs, where so much Refreshment is required, ... And yet for all these great Sums collected, the Poor fare ne'er the better, the Money is parcel'd out to make the greatest Show, and a few miserable Wretches have some Six-pence, some a Shilling a Week to starve upon; which scanty Allowance is the Reason why our Streets swarm with Beggars." In another attack on the Act of Settlement, he protested, "How do they lord it over the poor Wretches, who take Relief at their Hands? and yet these Gentlemen to save Charges, are brisk enough to hunt a distressed Creature from Parish to Parish, till they perish for Want by the way: ...

.....

To what end is this outside Caution, but to save the Money for their own Guts, ..." Lastly, he condemned the general mixed workhouse and asked that the pauper children should be educated. The workhouses recently built, "tho' in Appearance Beneficial, yet have in some Respects an evil Tendency, for they mix the Good and the Bad; and too often make Reprobates of all alike ... if an honest Gentleman or Trader should leave a Wife or Children unprovided for, what a shocking Thing it is to think they must be mix'd with Vagrants, Beggars, Thieves, and Night-walkers?" (119)

Defoe's solution to the problem of profitable employment for the poor, apart from the enforcement of the existing vagrancy laws, was the popular project of a college of industry. Because the burden of the poor rate had increased from £30,000 to £100,000 in the century since Elizabeth's death, he agreed with Sir Matthew Hale in thinking that the money could be used much more profitably in an institution, but, to avoid any threat to the livelihood of existing tradesmen, he recommended that the poor should be employed in making ropes, sails, nets and other materials for fishing: It was of course universally accepted that no expansion could be prejudicial in this vital, but, compared with Dutch practice, unaccountably backward, industry and Defoe referred to the encouragement provided by the recent Act establishing the South Sea Company. He dismissed the objection that there were already workhouses in and about London by alleging that "their many Officers and Attendants" made them almost as chargeable to those parishes which had sent poor to them as if the parishes had continued to be completely responsible for these poor. Also these workhouses only admitted able-bodied poor whereas Defoe's scheme was "intended to make a common Provision for all the Poor" so that it would not be possible for "any to pretend they beg for want of Business." A Queen Anne's College of Industry to accommodate at least 2000 should be built on the banks of the Thames, complete with a large hospital for the sick, old and infirm and with its own brewery and bakery and tradesmen such as a butcher and a tallow-chandler, its own physician, apothecary and surgeon and school house with two schoolmasters to teach

the children "to read, write and cast Accompt." This was the typical almost self-sufficient community of Bellers, Haines and Braddon except that Defoe did not propose that it should grow its own food although he insisted on sufficient ground for gardens. (120) The emphasis was on working up domestic raw materials for the benefit of the fishing industry as had been proposed by the author of "A Present Remedy for the Poor" in 1700. (121) Defoe also repeated two other suggestions of the earlier writer in the idea that poor workers outside might be supplied with materials each week by the college and paid for their labour and that those imprisoned for small debts should be able to work there. The churchwardens and overseers of the poor in the metropolitan area were "to give in the Names of all their begging and chargeable Poor to the Governor of this College, with an Account of their Trades, Abilities, and former Employments" and officers were to be ordered "to take up all Beggars in the Streets and carry them to the College." The "growing Revenues of the College" and net profits of the various enterprises were to be reinvested in the undertaking. Defoe also envisaged that "the Young and Lusty" should be engaged in fishing in vessels provided by the governor and that some of "the old and invalid Poor" should be employed in curing fish for transportation at storehouses "at Yarmouth, Rye and other Ports." The college should also be able to send suitable poor to the plantations. He recognized the problem of finding the initial finance to launch the plan but thought that £20,000 to

120. Proposals for Employing the Poor in and about the City of London (1713) pp. 3-11.

121. A Present Remedy for the Poor ... (1700). pp. 8-10, 12. The author proposed three workhouses of 2000 for London and Westminster.

£30,000 would be enough to buy the land and that the Queen might set aside some wealthy church preferments for five or six clergymen to carry out the scheme. Until the profits from the fishery began to accumulate, "the Prospect of its freeing the City from the continual Burden of the Poor, would certainly induce many rich Citizens to contribute towards it; and the rest of the Nation would be willing to give its Assistance by a Brief, which it ought in justice to do, because most of our Beggars come hither from all Parts, in expectation of meeting great Advantages in London." He instanced the large sums recently raised for the poor Palatines and the £36,000 by collections in every parish in Cromwell's day for "the victims of the late massacre in Piedmont." (122) Obviously Defoe was not opposed to workhouses in principle, but to the details of Mackworth's scheme with its threat to the circulation of trade from 9000 parish workhouses and to the danger that those who had hitherto tried to avoid work would displace the honest, gainfully-occupied poor.

Although they were well aware that the wartime dislocations of trade, especially when reinforced by bad harvests, were responsible for much periodic distress, (123) most of his contemporaries found it difficult to understand why the average numbers of the poor should remain so stubbornly high when trade was expanding in the long term. Their disappointment was all the more acute because the Dutch, as in other fields, seemed to

122. Proposals for Employing the Poor, pp. 11-20.

123. T.S. Ashton, Economic Fluctuations in England 1700-1800 (Oxford 1959) pp. 16-17, 28, 37-38, 56-58, 140-142.

be so much more successful in dealing with this problem of the poor. Sir Matthew Hale had observed that whereas in some other countries a beggar was a rare sight, in England "the more Populous we are the Poorer we are; so that, wherein the Strength and Wealth of a Kingdom consists, renders us the weaker and the poorer." (124) Another author made the direct comparison with Holland claiming that there was not "a Beggar amongst so many hundred thousands in Amsterdam because all their youth were bred up to some trade or profession, work was provided for all sorts of People" and they compelled the idle to work so that it was rare "to see an Execution for Robbery." (125) Similarly, Sir William Temple noted that in Holland "the Severity of their Justice" was directed not only against theft "but against all common Beggars" so that they were "disposed of either into Workhouses or Hospitals," according to whether they were able or unable to work." (126)

A feeling of frustration was probably responsible for the harsher note which appeared in the pamphleteers' attitude towards the poor at the end of the seventeenth century. Earlier authors had shown some sense that the community was collectively responsible for the condition of the poor, but from the mid-sixteenth century onwards writers in all countries condemned idleness, and primarily on economic rather than the former moral grounds. (127) Heckscher justly observed that

124. Sir M. Hale, *op. cit.*, p. 137.
 125. (Anon) England Wants: ... (1668) p. 21.
 126. Sir W. Temple, Observations upon the United Provinces of the Netherlands (1673), p. 137.
 127. E.A.J. Johnson, op. cit., p. 285.

"there was hardly any point on which opinion was so unanimous" as in the denunciation of idleness. (128) Sir Matthew Hale distinguished "a sort of Idle People, that will rather beg than work," (129) and the title of one of Richard Haines' many pamphlets ended with the hope "that there may no more be a Beggar bred up in the Nation." (130) Defoe was typically forthright: "The Idle Person is an Unprofitable Servant ... the Horse is a more Useful Creature." (131) Petty thought that habits of industry were so important that provided the work was "without expence of Foreign Commodities," it did not matter if surplus labour were employed "to build a useless Pyramid upon Salisbury Plain, bring the Stones at Stonehenge to Tower Hill, or the like; for at worst this would keep their minds to discipline and obedience." (132) "No Man can be Religious that is wholly Idle" and "If Men are naturally prone to sloth, it is more kind to Correct them by a Rod, than by a Gibbet; Idleness is such a path way to Destruction," preached Thomas Cooke. (133) The criticism might still be couched in moral terms, but the mainspring was economic. In urging, like Yarranton, the establishment of spinning schools to produce the linen which was then largely imported, Firmin asked, "were it not much better His Majesty should lose the Custom of Cloth than that the Poor People should lose both their bodies and Souls too in sloth and idleness? ..." (134)

128. E. Heckscher, op cit., II, 154.

129. Sir M. Hale, op. cit., p. 60.

130. R. Haines, England's Weal and Prosperity Proposed ... (1681)

131. Review, Vol. III, (No. 27), pp. 105-106.

132. Sir W. Petty, 'A Treatise of Taxes and Contributions ...' (1667) in The Economic Writings of Sir William Petty edited C.H. Hull (Cambridge 1899), I, p. 31.

133. T. Cooke, Work-houses the best Charity: A Sermon Preacht at the Cathedral Church of Worcester, Feb. 2, 1702, pp. 17, 21

134. T. Firmin, op. cit., p. 7; A. Yarranton, England's Improvement, pp. 44-53.

It was generally accepted that the number of "sturdy Beggars and wandering Vagabonds" was increasing and that "the greatest part, never did Work, nor ever will if they can avoyd it." (135) This was an appalling waste of the nation's resources to writers who, regarding labour as the most important factor of production, calculated the minimum national loss by a day's holiday at £100,000 and estimated that the French lost £120,000 for each of the fifty holy days that they were obliged to keep above the number in England. (136)

Some writers still stressed the duty of Christian charity but the majority were more conscious of the damage done by indiscriminate almsgiving. Even Hale, who wrote that the "rich are Stewards of their Wealth," that "Am I my Brothers keeper was the answer of one of the worst of men" and that charity is "one of the principal Christian Virtues," also said that "were there a clear means practised for the Employing of poor Persons, It were an uncharitable action to relieve them in a course of Idleness." (137) Similarly Richard Haines stated "no good man can possibly be uncharitable" and favoured the minimum of restraint in his working almshouses with special care to have "a godly Minister of a good peaceable kind disposition" in each hospital. Yet he proposed a law that any person who gave "any Almes to any idle Beggars or wandering People, (the Poor of their own Parish only excepted) should forfeit 5l. to the Treasurer of the Hospital in that County." (138) The kindly Quaker, John Bellers, quoted Hale's views

135. (Anon) An Essay for the Raising a National Fishery (1700) p.2
 136. Sir W. Harris, Remarks on the Affairs and Trade of England and Ireland (1691), p. 44.
 137. Sir M. Hale, op. cit., pp. 78-79, Preface.
 138. R. Haines, Proposals for Building in every County... (1677), p. 10 and Postscript, p. 6.

on the charitable responsibilities of the rich, but also declared "if the Alms which are daily given away within the City, were distributed in as regular a Manner as the Gifts to the Workhouse are, it would sufficiently provide for all the necessitous Poor of this City, whilst so much of what is given in the Streets is said to be profusely spent, as well as that some of them are encourag'd by it to live in Idleness."

(139) Others were more outspoken in specifying the unfortunate results of private charity. J. Donaldson, in ascribing the "great Numbers of Beggars" to the failure to enforce the existing poor laws, also blamed "the indulgent Temper, and Charitable Disposition of many People that cannot forbear to give Alms to the begging Poor." This opened "a Door to Vagrants ... who often by their importunity" received more alms than those who were quite incapable of working. (140) In the same year, another pamphleteer observed, "the number of Beggars increases daily, our Streets swarm with this kind of People, and their boldness and impudence is such that they often beat at our Doors, stop Persons in the ways, and are ready to load us with Curses and Imprecations, if their Desires be not speedily answer'd. Besides, it is reputed of the common Beggars, that they have their Meetings and Rendezvous, where what they have got by their lazing Trade, they can spend freely in Debauchery, Drunkenness and other Sins. By this means the Charity of good People is strangely misapplied, ... and these ordinary

139. J. Bellers, Proposals for raising a Colledge of Industry ... (1696), p. 5; An Essay towards the Improvement of Physick (1714), p. 31.
140. J. Donaldson, The Undoubted Art of Thriving ... (Edinburgh 1700), p. 86.

Beggars hinder us from regulating and disposing of our Charity upon the right Objects." (141)

Defoe's attitude towards beggars must be viewed against the weight of contemporary opinion. In refuting the objection that the number of beggars contradicted his claim that it was "a Regulation of the Poor" that was wanted in England, "not a setting them to Work," he argued that he was obliged "to call begging an Employment" because no able-bodied man need beg and those who were genuinely unable to work ought to be given adequate relief:

"So that begging is a meer scandal in the General, in the Able 'tis a scandal upon their Industry and in the Impotent 'tis a scandal upon the Country.

Nay, the begging, as now practic'd, is a scandal, upon our Charity, and perhaps the foundation of our present Grievance - How can it be possible that any Man or Woman, who being sound in Body and Mind, may ... have Wages for their Work, should be so base, so meanly spirited, as to beg an Alms for God-sake ... People have such a Notion in England of being pitiful and charitable, that they encourage Vagrants, and by a mistaken Zeal do more harm than good.

The Poverty of England does not lye among the craving Beggars but among poor Families; where the Children are numerous, and where Death or Sickness has depriv'd them of the Labour of the Father ...

An Alms ill-directed, may be Charity to the particular Person, but becomes an Injury to the Public, and no Charity to the Nation.

As for the craving Poor ... if they were Incorporated they would be the richest Society in the Nation; and the reason why so many pretend to want Work is, that they can live so well with the pretence of wanting Work, they would be mad to leave it and Work in earnest; ... when I have wanted a Man for labouring work, and offer'd 9s. per Week to strouling Fellows at my Door, they have frequently told me to my Face, they could get more a begging, and I once set a lusty Fellow in the Stocks for making the Experiment." (142)

(Anon)

141. A Present Remedy for the Poor (1700), pp. 6-7.

142. Giving Alms no Charity, pp. 11-12.

In his 'Review', he developed this theme:

"Begging is the present most Destructive Grievance of our Home Trade, and the Encouragement given it, by our Foolish mistaken Charity, is cutting our Throats in Trade: ...

1. If all the Beggars of this Nation had a Charter to form them selves into a Body, they would be the Richest Corporation in the Kingdom.

2. Every Farthing given in the Street, or at your Door, tho' to the most Impotent, Blind, and Needy Beggar, is just so much Money contributed to the Ruins of your Native Country, Destruction of Trade, and the Entailing of Idleness, Luxury, and Misery on our Posterity.

.....

In short, the Disease is Corroded, the Leprosie is in the Walls; we are possest with the Begging Evil; we have Poor without Begging, and Beggars without Poverty: Strange! That Nature can be Suppress'd to so much Meanness, to ask a Man's Charity for meer Covetousness, and stoop to Beg without Want."

"This Scoundrel Trade," he continued, "was now more profitable than thieving for no man took to the road "that knew how to live without it." Giving a recent instance of a beggar who had left £3,000 to a charity, he asked, "But how often have we known Men that have stood with a Broom in their Hands to sweep a Passage, and beg your Alms for God-sake, leave 100 Pounds in Gold behind them? He claimed that he could list some common beggars who "ought rather to relieve others," than ask for alms. (143) He blamed the magistrates for this deplorable state of affairs,

"... for if you would set them to work, three parts of the Poor in England would be able to provide for them selves; ... we have a great Number of Vagrants and sturdy Beggars, that don't care for working as long as they can live by begging; but would you, Sir, and the rest of your Brother Justices of the Peace, unanimously agree and resolve to put the Laws in Execution, the Nation would soon be rid of those Harpies, who eat up what would maintain the

Poor that are capable and willing to work, and then ... we should have no more Beggars in Great Britain, then they have in Holland. The Number whereof is the Scandal of England, especially of London, and were a diligent Search made after those that beg with two Crutches, that have need of none; after those that beg with sore Legs of their own making, and refuse to be cur'd, when it has been offer'd them; after idle Persons that are able to work, but will not, ... after common Counterfeits, and such as have no Need at all to beg, but having found the Sweets of maundering, are said to grow rich by it; we should soon find the good Effects of such a Search, which the Beadles will never do so long as the Beggars are able to bribe them; which, if enquired into, would be found a common Practice." (144)

Defoe's only solution to the problem was the strict application of the existing poor laws as he always argued that England had "the best Laws, the worst executed of any Nation under Heaven" (145). Thus in his early pamphlets he frequently attacked the gentry, and particularly the City magistrates, for their moral weaknesses which prevented them from enforcing the laws against such social evils as swearing, drunkenness and prostitution. Because of this lamentable failure, which militated against any effective reformation of manners, the laws were in effect "all Cobweb Laws, in which the small Flies are catch'd and great Ones break thro'." (146) No other nation made "such a jest of their Laws," (147) indeed Englishmen studied "not to obey but to evade the law." (148) This did not prevent him from declaring, "'tis an easie matter to prevent begging in England, and yet to maintain our Impotent Poor at far less charge to the Parishes than they now are

144. A Brief History of the Poor Palatine Refugees, pp. 10-11.

145. The Consolidator (1705), p. 263; Review, Vol. IV, (No. 136), p. 542.

146. 'The Poor Man's Plea' (1698), A True Collection I, p. 289.

147. Review, Vol. I (No. 18), p. 87.

148. Ibid, Vol. IV (No. 136), p. 542.

oblig'd to beat." If the Elizabethan laws against vagabondage had been "severely put in Execution by our Magistrates, 'tis presum'd these Vagrant Poor had not so encreas'd upon as they have." (149) A vigorous enforcement of the law was also John Locke's remedy, for his Report from the Board of Trade proposed that beggars in maritime counties without passes should be punished by three years under strict discipline in the navy and those inland by three years hard labour in a house of correction after the discipline of these had been suitably tightened (150) and that anyone guilty of forging a pass should lose his ears. It should be remembered that Defoe strongly condemned the Act of Settlement which Massie believed contributed so much to the encouragement of begging (151) and that Defoe was writing in his native London. It has already been noted that he thought that the problem was much worse in the metropolis because of the influx of people in the hope of advancement, (152) and this was also Joshua Gee's opinion. (153) Much earlier, Richard Haines had conceded that there were "very wholson" laws against begging, but that parish officers seldom put them into execution because of their fear of such reprisals as setting their houses and barns on fire and that if a severe penalty was imposed on the constables who neglected their duties, "there might not be a Beggar in the Kingdom" within six months. (154)

149. Giving Alms No Charity, pp. 12-13.

150. J. Locke, 'A Report of the Board of Trade to the Lords Justices respecting the Relief and Employment of the Poor' (1697), reprinted in An Account of the Original Proceedings and Intentions of the Society for the Promotion of Industry in the Southern District of the Parts of Lindsey (1789) pp. 105-115.

151. J. Massie, Considerations relating to the Poor (1757)

152. Supra, p. 140

153. J. Gee, The Trade and Navigation of Great Britain Considered (1729), p. 41.

154. R. Haines, The Prevention of Poverty (1674), pp. 5-6.

This was no "New Medicine for Poverty" but a strong conviction that England was "burthen'd with a crowd of clamouring, unemploy'd, unprovided for poor People," (155) that it was "our rich Poor, not our needy Poor" who were "the clamorous and uneasie People of this Nation." (156) Professor Watt has suggested that to Defoe poverty was shameful because this was the view of the chief characters of his imagination who, like Moll Flanders, would rather steal than beg. (157) They may, however, reflect the sturdy independence of their author who so often started out anew from disaster to make his way in the world. Tawney may be right in making "the distinctive note of Puritan teaching ... individual responsibility, not social obligation," (158) but the latter was not forgotten and Professor Wilson has used the phrase 'social mercantilism' to describe this other side of the pamphleteers' outlook. (159) It is true that there were writers who were so anxious to use every available ounce of manpower to increase the economic efficiency of the nation, that they visualized using the lame and the blind. Although Richard Haines would have excluded married couples with children from his working almshouses because he did not wish to part man and wife, he proposed to employ there "all impotent people having one hand, ... and such that can make use of their Legs, though no Hand." (160) Similarly Dr. Nehemiah Grew, having cited the farm work of Cornish women because the men were employed in the mines, announced "Men and Women that want Leggs or the Use of them

155. Giving Alms No Charity, p. 9.

156. Review, Vol. VI, (No. 41) p. 163.

157. I. Watt, The Rise of the Novel (1957), p. 95.

158. R.H. Tawney, Religion and the Rise of Capitalism (1922) reprint 1948, p. 270.

159. C. Wilson, 'The Other Face of Mercantilism,' Transactions of the Royal Historical Society, fifth series, Vol. IX. (1957)

160. R. Haines, A Profitable method ... p. 2.

may sit and card ... I have seen Stockings well Knitt by a Blindman and Flaxen Cloth well spun by a Blind woman. At Pin Makers Little Girls can Head the Pinns and any Blind or Decrepit Man and Woman or Boy may Turn the Wheels of the Poynting Mill." But Grew also wished to reduce the concealed unemployment in various trades which he considered "Useless and Detrimental to the Kingdome" and regretted the waste of resources in the increase in grammar school education. (161) The extreme was reached by the anonymous author of 'A Modest Proposal' who wished to establish a hospital-workhouse and an 'Ergastulum' or prison-workhouse among every two or three thousand families. Although he claimed that his object was to provide "more Relief and Comfort" for the poor he planned to build even the hospital-workhouse as cheaply as possible, consisting of one large room with an earthen floor and a hearth, surrounded by little low rooms or cabins which might receive some warmth when their doors were open. It was to receive "all Sick, Lame, Disabled and Bed-rid Persons," but all were to work as there were "no Persons so Old or Decrepit" but that they could contribute something. Each cabin was to have a small garden planted with cabbages and carrots so that "a little Salt Beef or Bacon" would go a good way" in that Frugal way of Living" which he proposed. The prison - workhouse only needed to be built strong enough and "the great Malefactors" should only wear enough clothing "just to cover their Shame." They were to work until they had made ample restitution out of the profits of their labour to all whom they had wronged, but "Clippers and Coiners" were to be kept "in Hand Slavery" for

161. Dr. N. Grew, 'The Meanes of a most ample increase ...'
B.M. Lansdowne MS. 691, pp. 84, 87-91, 93.

life because they could never make sufficient reparation for their crime. Murderers were to work until they had made "some sort of Restitution" and meanwhile were to be scourged every day before being finally put to death. "All Fraudulent Debtors ... all Wandering Beggars, all Petty Chapmen, Pedlars, Tinkers, ... All Notoriously-Idle and Riotous Persons" were to be sent straight to the prison-workhouse. Except for the murderers, the unmarried were to be allowed to cohabit with the opposite sex from 3.0 p.m. on Saturday afternoon until the following morning, but if the women eventually gave birth to children, these should immediately be removed to the hospital workhouse to be brought up by hand so that the mothers could the sooner return to their hard labour. (162)

In marked contrast with such harsh, unfeeling views, Defoe accepted the existing outdoor relief of the old, the sick and the widow with young children, which, however variable and inadequate, has been accepted as the most successful part of the old poor law. (163) Poverty in England, he declared, was due to either casualty or crime and he added, "By casualty, I mean Sickness of Families, Loss of Limbs or Sight, and any, either Natural or Accidental Impotence as to Labour." These "ever were, will, and ought to be the Charge and Care of the Respective Parishes where such unhappy People chance to live, nor is there any want of new Laws to make Provision for them."

(164) It was not the Puritan layman Defoe, but the Anglican

162. (Anon) A Modest Proposal for the more Certain and yet more Easie Provision for the Poor ... 1695/6. pp. 1-12.

163. D. Marshall, The English Poor in the Eighteenth Century, (1926) chapter III.

164. Giving Alms No Charity, p. 25.

bishop and idealist philosopher, Berkeley, who asked "whether it may not be right to appoint censors in every Parish to observe and make returns of the idle hands," "whether workhouses should not be made at the least expense, with clay floors, and walls of rough stone, without plastering, ceiling or glazing," "whether temporary servitude would not be the best cure for idleness and beggary," and "whether all sturdy beggars should not be seized and made slaves to the public for a certain term of years?" (165) These questions were prompted by conditions in Ireland, where he was Bishop of Cloyne, and which faced a much more serious problem of under-employment than England, but in an earlier work he had claimed that there was no country in Europe where so much charity was collected for the poor as in Great Britain and none where it was so ill managed. (166) If the poor rates for a period of seven years were to be set aside to build workhouses, "even the children, the maimed and the blind, might be put in a way of doing something for their livelihood. As for the small number of those who by age or infirmities are utterly incapable of all employment, they might be maintained by the labour of others." (167)

Another reason for Defoe's hostility towards the idle beggar, compared with his concern for those whom he regarded as the genuine poor, was that he not only thought that wages were higher in England than in the rest of Europe, but that

165. G. Berkeley, The Querist (1750) edition, queries number 377, 382, 384 and 197 of Part II of the 1735-7 edition, published in 1750 in the Appendix.
166. It has been accepted that more money was raised in England by the poor rate.
167. G. Berkeley, 'An Essay towards preventing the Ruin of Great Britain' (1721), in Vol. IV Miscellaneous Works (Oxford 1901), p. 324.

he wished to maintain this wage differential. All his contemporaries agreed that English wages were higher than elsewhere but they mostly wanted to reduce these in order that English goods would be more competitive in foreign markets. Almost as soon as he began to write on trade in the 'Review', Defoe announced that maintaining "the Intrinsic Goodness of the English Manufactures," which was "the Glory of our Trade," was the surest way to promote their sale abroad: "Sinking Prices is always Destructive to Trade." (168) Four years later, he proclaimed, "I am not of the Opinion of some, who, to encrease the Export of our Manufactures, would reduce their Value, and consequently the Labour of the Manufacture, from the general receiv'd Maxim, that Cheapness causes Consumption ... keeping up the Goodness, that is the true Merit of our Manufactures, is the true Way to encrease the Consumption." Although Dutch and French goods mimicked English woollens, they were only apparently cheaper for price was only "dear or cheap in Proportion to Goodness." (169) He agreed with Child that "those Nations are the richest and wealthiest, ... where the Labour of the People without Injury to the Government, brings the most Money for their Work." (170) A reduction in wages would inevitably result in workmanship of inferior quality and also a drop in the labourers' purchasing power:

"If you expect the Poor should work cheaper, and not perform their Work slighter and more overly, as we call it, and superficially, you expect what is not in the Nature of the Thing.

Again, if you lower the Wages of the Poor, you must of Course sink the Rate of Provisions, and that of Course will sink the Value of Lands, and so you wound the Capital at once; for the Poor cannot earn little

168. Review, Vol. II (No. 16), p. 62 and (No. 17), p. 66.
 169. Ibid, Vol. VI, (No. 41), p. 162.
 170. A Plan of the English Commerce, p. 44; Sir J. Child, A New Discourse of Trade ... Preface, x-xi.

and spend much, the End of that is, starving and misery; the Rate of Provisions will follow the Rate of Wages, there is no possibility of its being otherwise; ...

This therefore is beginning at the wrong End of Trade; but the true Way is, keep up the Goodness of your Manufacture, so as to make it excel in Quality, and its exceeding in Price will be no Deficiency in Trade.

Things are not dear or cheap, according as they sell for more or less; ... A high priz'd Manufacture may be as cheap, as a low priz'd Manufacture of the same Kind, ... as a fine Piece of Painting may be cheaper than a coarser Piece of the same Dimensions, ... tho' one should be sold for one hundred Guineas, and the other for one hundred Shillings.

Let your Manufacture gain the Credit of the best in the World of its Kind, it shall accordingly bear the best Price of any in the World, and yet be cheap too; that is, it shall be cheap of the Price, tho' not under Price." (171)

He had used similar arguments in the 'Mercator' to attack "that old worn out Notion" that cheapness caused consumption and to support his dictum that it was "our Trading Interest to keep our Manufactures to their known Standard," adding "if once we sink their Goodness, we dishonour our Manufacture, and sink the Trade." In proportion to their work, "the Goodness and Quantity of what they perform," the English poor already worked as cheap as any people in the world," and indeed much cheaper; to propose to have the poor People in some parts of England work cheaper than they do in our Manufactures, would be to starve them; Nay, in many Parts of England the Manufactures are wrought by those whose Bread does not depend upon their Labour, such as Women and Children, who are kept by their Husbands or Parents, by other Means, and who work in the Manufactures, Print, Spin, Card, etc. as an Extraordinary; whereas

if they were pusht to live wholly on it, they would perish for want of Bread: In many Parts of this Nation the Poor cannot gain above Three half-pence, Two-pence and Three pence a Day, no not by working very hard." "Do not our Poor live hardly enough . . .," he asked those who wanted even lower wages, "Would they have them come to Wooden Shoes and Broth without Flesh?" "This will be for ever true in Trade," he concluded, "that the less Wages you give, the worse Work shall be done." (172) Similarly the prosperity of trade could not be measured merely by the quantity of goods sold if this was at a price "below the Standard of our Trade" that is, "the stated ordinary Rate of the Poors Labour." All the woollen manufacture in the country could be sold within three months if the price were reduced by twenty or thirty per cent, but they could not be replaced at that price without a similar reduction in wages. It would be better to reduce the output of goods and "have some of your People want Work, and seek Employment some other way, than to have all Hands at Work to no Profit." (173)

Defoe was inordinately proud of the high standard of living which, he claimed, the English labourer or craftsman enjoyed compared with his fellow abroad. He claimed that the English poor were able to live "in a posture Equal to the Midling Tradesmen in other countries" although many did not because of their luxury and extravagance. The high wages in England also grouped the people "into more Classes than other Nations" could show, thus presumably providing more rungs

172. Mercator, No. 143, April 22, 1714.

173. Ibid, pp. 47-48.

on the social ladder. He maintained that there were thousands of artisans in England, who were good husbands and looked after their families, who could earn from 15s to 50s a week, "only by their Handy Labour, as Journey-men." "These Men," he added, "Live better in England, than the Masters and Employers in Foreign Countries can; and you have a Class of your Topping Workmen in England, who being only Journey-men under Manufacturers, are yet very substantial Fellows; Maintain their Families very well, have good Things about them, and Enjoy a Plenty unknown in Foreign Countries." (174) As for "the labouring Poor," they "really live, keep Families, pay Taxes, Scot and Lot, as we call it, wear good Cloths, eat the Fat, and drink the Sweet; and yet labour hard too." (175) It was high wages, again, that made recruiting for the army so difficult, especially in the clothing towns when trade was brisk:

"In a Word, 'tis Poverty and Starving that fills Armies, not Trade and Manufacturing: and therefore the Swiss and the Grisons, the Danes and the Luxemburghers, the Hessians and the Prussians are glad when they hear the Drums beat, and rejoice when other Nations will hire their Troops, ... for their Numbers are their Grievance: And for the same reason, the Scots and the French are found dispersed over all the Nations of Europe, ... whereas ... in England, in Holland, and Flanders, where the People have Manufacturing, ... nothing is more difficult than to raise Men upon any extraordinary Occasion; ... Indeed what poor Man in his Senses, that could get nine Shillings, ten Shillings, and twelve Shillings a Week at his Loom, and at the Comb-Pot, or at the Cloth-working, Dressing, etc. of the Manufactures, and live at home warm, easy and safe, would go abroad and starve in a Camp, or be knock'd on the Head on the Counterscarp, at the Rate of three Shillings and six Pence a Week?" (176.)

174. Review, Vol. II (No. 18), p. 69.

175. A Plan of the English Commerce, p. 46.

176. Ibid, pp. 70-71.

Earlier, he had declared, "I think it much better for England, that our poor People should be made able to pay towards the maintaining an Army with their Money, than fill it up with their Bodies; that they should send rather than go, and those that do go, should rather go for want of Discretion than want of Bread." (177) Because "Poverty and Tyranny will drive all the World into Armies," Louis XIV had no difficulty in raising fresh forces, but in England the poor had "too great Wages" and lived too well to enlist. If the government, however, raised soldiers' pay to the average level of wages, thousands would "run into the Army, because Multitudes had rather have the Lazy Idle Loytering Life of a Gentleman Soldier, than the Laborious Task of a Tradesman." (178) He deplored "the many little and not over honest Methods" that had to be used to bring men into the queen's service, and "Gaols rumag'd for Malefactors, and the Mint and Prisons for Debtors." "The War," he continued, "is an Employment of Honour, and suffers some scandal in having Men taken from the Gallows, and immediately from Villains and Housebreakers made Gentlemen Soldiers. If Men wanted Employment, and consequently Bread, this could never be, any Man would carry a Musket rather than starve, and wear the Queens Cloth, or any Bodies Cloth, rather than go Naked, and live in Rags and want." (179)

"Upon this great Foundation" of high wages were built "several of the most Capital Articles of the Nation's present Felicity." (180) If the price of English manufactures were to

177. Review, Vol. IV, (No. 154), pp. 614-615.

178. Ibid, Vol. II, (No. 12), p. 46.

179. Giving Alms No Charity, p. 24.

180. Review, Vol. II, (No. 13), p. 49.

be reduced by ten per cent, he argued that "this must lie all on the wages" because it would represent a half of the cost of the materials. Such a reduction in the selling price would need a fifteen per cent cut in the "Labour of the Manufacture", or about one-eighth of the labourer's wages with similar falls in the prices of provisions and rent of farms so that "the whole Nation is at one Blow, an Eighth part less worth than they were before." Citing the Act of 1699 which abolished the five per cent export duty on all woollen manufactures, he enquired if any Danzig, Hamburgh or Turkey merchant could tell him if they had "ever sold one Piece of Cloth the more for it at Hambrough or Scanderoon." He went on to suggest that there had been no reduction in the selling price of English cloth, but that the five per cent was "buried in the Profit of the Merchant." Despite his belief that the Dutch had derived the chief advantage from the bounty on the export of corn (181) he suggested a ten per cent bounty on the export of English broad-cloth to Hamburgh and Turkey. If these exports increased, the country would gain a greater advantage than any loss resulting from the bounty, even if this needed a tax to finance it. If, however, the lower selling price made possible by the bounty did not produce a rise in exports, it would be "a strong argument against reducing the wages." He seems to have been firmly convinced that any increase in British exports resulting from a reduction in their selling price would only enrich the merchant at the expense of "the Gentry and the Labouring Man; so that it would still be ruining both Ends, to keep the Middle whole."

(182) In previous issues of the 'Review', he had also claimed

181. He stated that the Dutch bought up large quantities of English corn when it was cheap and resold it to us when the price rose on a poor harvest.

that "other Mismagements of Trade" were a greater obstruction to the sale of "our Manufacture" abroad than "the Dearness of its Price," (183) and that it suffered more "by our want of Regulation at Home than by any Encroachment Abroad." (184) These various considerations led him to the general conclusion that high wages were in fact "the Support of the Manufacture too; for by this means, the Manufacture is kept up to its Price at Market; the Goodness being kept up at Home, the Credit of it is kept up Abroad, and one reciprocally is the Life of the other; the Wages support the Manufacture, and the Manufacture supports the Wages; by the good Pay, the Weaver and all his Dependent Tradesmen are encourag'd to make the Wares good, by the Goodness their Credit Abroad is kept up, by the Credit the Price, and by that Price the Wages; one Hand washes t'other Hand, and both the Hands the Face." "Hence I insist also, that our Manufacture is the cheapest in the World, because it is the best, and our Poor work as cheap as any Poor in Europe, because their Work is best perform'd:" (185)

This superior workmanship of the English artisan was another of Defoe's dogmas. He asserted that even foreigners acknowledged "that our Poor in England work harder than they do in any other Nation." As the English poor earned more money "than the same Class of Men or Women ... at the same

183. Ibid, (No. 13), p. 49.

184. Ibid, Vol. I, (No. 84), p. 349.

185. A Plan of the English Commerce, pp. 46-47.

kind of Work, in any other Nation," they did more work in return. They not only fed better and enjoyed a higher standard of living, but they could not "support their Labour without it." He admitted that a Frenchman would do more work than an Englishman if they both had to work on the Frenchman's poor diet, that "the Foreigner shall starve with the English Man for a Wager, and will be sure to win: He will live and work, when the English Man shall sink and dye." Again, the Frenchman would work longer hours, "but the English Man shall do as much Business in the fewer Hours, as the Foreigner who sits longer at it." He also believed that "the diligent trading manufacturing World" worked more cheerfully, even singing at their work, whereas "the unemploy'd World" sank "under the Weight of their Idleness and Sloth." He gave an illustration from his travels in Scotland, where an overseer was always employed "to keep the Reapers to their Work" and a piper to encourage them. This was necessary because "the best of their Provision" was "a Bannock, and a Draught of Water only," supplemented twice a day by "a Dram of Glasgow Brandy." In marked contrast, the English farmers provided "good Beef and Mutton, Pyes, Puddings, and other Provisions to a strange Profusion, feasting their Workmen, rather than feeding them; and giving them good Wages besides." He concluded, "the Feast is better than the Fiddle, and the Pudding does more than the Bag-Pipe; in short, they work with a Vigor and Spirit, not to be seen in other Countries." The same was true of the manufacturers: "... our Manufacture may not be so cheap as the same Kinds made in other Countries; but bring

them to the Scale and try their Substance, you will find the English Man's Work, according to his Wages, out-weigh the other; as his Beer is strong, so is his Work; and as he gives more Strength of Sinews to his Strokes in the Loom, his Work is firmer and faster, and carries a greater Substance with it, than the same Kinds of Goods, and of the same Denomination made in foreign Parts." (186)

This jolly English workman, who obviously owed much to Defoe's exuberant imagination, was not without corresponding defects, which were the true cause of any poverty from which he suffered. Because frugality was not the national virtue of England, "the people that get much spend much; and as they work hard, so they live well, eat and drink well, cloath warm and lodge soft, the working manufacturing people of England eat the fat, drink the sweet, live better and fare better than the working poor of any other nation in Europe, they make better wages of their work, and spend more of the money upon their backs and bellies, than in any other country:" (187) Observing that in Spitalfields and adjacent districts of London, "a Journey-man Weaver, of many sorts" could gain from 15s to 30s per week in wages and that "blind Men and Cripples" were paid 8s, 9s. and 10s. per week by the silk throwsters "to turn Wheels, and do the meanest and most ordinary Works," he asked "Why are the Families of these Men starv'd, and their Children in Work-houses, and brought up by Charity." He claimed that he could produce a workman who had gained from him "by his handy Labour

186. Ibid, pp. 28-30.

187. The Compleat English Tradesman, Vol. I, p. 330.

at the mean scoundrel Employment of Tile making from 16s. to 20s. per Week Wages, and all that time would hardly have a pair of Shoes to his Feet, or Cloaths to cover his Nakedness, and had his Wife and Children kept by the Parish." "Good Husbandry," he maintained, was not an "English Vertue" but "a Forreign Species" and nothing was so generally detested as "a Rich Covetous Man" who would be the subject of many disparaging comments if he suffered any misfortune. An inability to save money seemed to be part of "the natural Temper and Genius of the Nation," and prompted Defoe to draw this comparison between the English and the Dutch:

"'Tis generally said the English get Estates, and the Dutch save them; ... whereas an Englishman earns 20s. per week, and but just lives, as we call it, a Dutch-man grows Rich, and leaves his Children in very good Condition; whereas an English labouring Man with his 9s. per Week lives wretchedly and poor, a Dutch-man with that Wages will live very tolerably well, keep the Wolf from the Door, and have every thing handsome about him ... in short ... he'll thrive when the other goes in Rags, ...

The Reason is plain, a Man with good Husbandry, ... brings home his Earnings honestly to his Family, commits it to the Management of his Wife, or otherwise disposes of it for proper Subsistence, ... when a single Man getting the same Wages, Drinks it away at the Ale-house, thinks not of tomorrow, laves up nothing for Sickness, Age or Disaster, and when any of these happen, he's starv'd, and a Beggar."

He added that "English Labouring People" ate and drank, but especially the latter three times as much in value as any sort of Forreigners of the same Dimensions in the World." With his fondness for a paradox, he described his countrymen as "the most Lazy, Diligent Nation in the World, vast Trade, Rich Manufactures, mighty Wealth, universal Correspondence

and happy Success have been constant Companions of England, and given us the Title of an Industrious People, and so in general we are. But there is a general Taint of Slothfulness upon our Poor, there's nothing more frequent than for an Englishman to Work till he has got his Pocket full of Money and then go and be idle, or perhaps drunk, till 'tis all gone, and perhaps himself in Debt; and ask him in his Cups what he intends, he'll tell you honestly, he'll drink as long as it lasts, and then go to work for more." He suggested that "this Distemper" was now "so General, so Epidemick, and so deep Rooted in the Nature and Genius of the English" that he doubted if it could be cured and he feared that it was beyond the reach of an Act of Parliament. All the workhouses in England would not solve the problem of the man that would not work. Again, he declared that he would need only short notice "to produce above a Thousand Families in England, within my particular knowledge, who go in Rags, and their Children wanting Bread, whose Fathers can earn 15 to 25s. per Week, but will not Work, ... and hardly vouchsafe to earn anything more than bare Subsistence, and Spending Money for themselves." He had "once paid 6 or 7 Men together on a Saturday night, the least 10s. and some 30s. for Work," and had "seen them go with it directly to the Ale-house, lie there till Monday, spend it every Penny, and run in Debt to Boot, and not give a Farthing of it to their Families, tho' all of them had Wives and Children." (188) Twenty-seven

years earlier, in his first best-selling pamphlet, he had made drunkenness the distinguishing mark of an English artisan:

"The Lab'ring Poor, in spite of Double Pay,
 Are Saucy, Mutinous, and Beggarly:
 So lavish of their Money and their Time,
 That want of Forecast is the Nation's Crime.
 Good Drunken Company is their Delight;
 And what they get by Day they spend by Night.
 Dull Thinking seldom does their Heads engage.
 But Drink their Youth away, and Hurry on Old Age.
 Empty of all good Husbandry and Sense;
 And void of Manners most, when void of Pence.

.....

In English Ale their dear Enjoyment lies,
 For which the'll starve themselves and Families.
 An Englishman will fairly Drink as much
 As will maintain two Families of Dutch:
 Subjecting all their Labour to the Pots;
 The greatest Artists are the greatest Sots." (189)

In "The Great Law of Subordination" he again attacked drunkenness as "the Mother Sin, the Parent or producing Cause of all Vice" with "Swearing and Cursing ... the Brats of the Bottle" and argued that it had spread to the labouring classes from the practice amongst the Cavalier gentry of drinking the king's health after the Restoration. He also charged the poor with being mutinous in bad times and again with preferring leisure to extra money during a boom:

"1. Under a stop of Trade, and a general want of Work, then they are clamorous and mutinous, run from their Families, load the Parishes with their Wives and Children ... and themselves grow ripe for all manner of Mischief, whether public Insurrection, or private plunder and robbery, and seeing that they have not Work enough, they will not work at all, ...

2. In a Glut of Trade they grow saucy, lazy, idle, and debauch'd, ... they will work but two or three Days in the Week ...

189. 'The True-born Englishman' (1701), in A True Collection I, p. 15; Cf. 'The Poor Man's Plea' (1698) Ibid, pp. 291-293.

... instead of making Hay while the Sun shines, they slight their Work, ... perhaps they will work two or three Days, or it may be a Week, till they find a few Shillings gingle and chink in their Pockets, but then, as if they cou'd not bear that kind of Musick, away they go to the Alehouse ... (190)

A year or so after this outburst, he urged that another reason why the woollen manufacture had migrated from Flanders to England was because the Flemish workmen had been spoiled by prosperity: "the case in Flanders was then, just as the Case of England is now, the poor by a flush of Trade and constant Work were grown rich and saucy; they wou'd work indeed when they pleas'd, but they wou'd have their own price ... just as ours do at this Day, For

The Poor of every Nation are the same." (191)

When he was disproving the allegations that trade was decayed in 1730, he protested, "Any complaint lies chiefly on the want of Industry and Application in the People to the Work, which is before them, as the poor Weavers have been known to raise Tumults against their Employers for want of Employment, when they have had Work in their Looms to do, and would not finish it." (192) E.S. Furniss cited similar opinions about the English poor by Manley, Sir William Temple, Haines, Houghton, Davenant, Henry Fielding, Tucker and William Temple, especially when compared with the industrious poor of Holland, and concluded that the faults which they castigated were steadily growing worse. Similarly, he reported the testimony of other writers from Petty to Hume and Arthur Young that the English labourer enjoyed a higher standard of living when food prices were high. (193)

190. The Great Law of Subordination Consider'd ... (1724), pp. 62-65, 82-84.

191. A General History of Discoveries and Improvements in useful Arts, (1725 - 26), p. 211.

192. The Political State of Great-Britain, August 1730, p. 224.

193. E.S. Furniss, The Position of the Labourer in a System of Nationalism (1920) pp. 100-103, 119-125.

These included Child, like Defoe an advocate of high wages, who also observed that in "a cheap year" the English poor would not work above two days in a week, no more than would maintain them in that mean condition" to which they had become accustomed. (194) "Everybody knows," wrote Mandeville, "that there is a vast number of Journey-men Weavers, Tailors, Cloth-workers, and twenty other Handicrafts; who, if by four Days Labour in a Week they can maintain themselves, will hardly be persuaded to work the fifth; ... When Men shew such an extraordinary proclivity to Idleness and Pleasure, what reason have we to think that they would ever work, unless they were oblig'd to it by immediate Necessity? (195) Earlier, John Houghton had protested that framework-knitters spent Monday and Tuesday at the ale-house or nine-pins when wages were good, that weavers were drunk on Monday, had a headache on Tuesday and their tools out of order on Wednesday, while shoemakers would rather be hanged than not remember St. Crispin on Monday. (196) There seems ample evidence that such voluntary unemployment was common, although J.D. Chambers thought that it would be true only of the higher-paid workers such as the framework-knitters rather than of the great majority who would tend to need every penny they could earn merely to support their low standard of living. (197) The criticisms it evoked were not simply the jeremiads of Puritan moralists but understandable expressions

194. Sir J. Child, New Discourse of Trade (1693), p. 18.
 195. B. Mandeville, The Fable of the Bees (1714), (edited J.B. Kaye, Oxford 1924), pp. 192-193.
 196. J. Houghton, A Collection of Letters for the Improvement of Husbandry and Trade, (1681), p. 177.
 197. J.D. Chambers, Nottinghamshire in the Eighteenth Century (1932), pp. 277, 292.

of their concern by writers who could see the possibilities for economic expansion. It was this disinclination to earn more than a bare subsistence for their families and spending money for themselves, together with the tendency to spend any such surplus at the tavern, which so irritated Defoe. Miss Gilboy thought that he agreed with his contemporaries about the correlation between luxury and sloth in his earlier works such as "Giving Alms No Charity" but that later he recognized that the poor were often idle because they were poor and had little perception of the possibility of any higher standard of living, "That Poverty makes Sloth, and Sloth makes Poor." (198) Bishop Berkeley, again with particular reference to Ireland, asked "whether the creating of wants be not the likeliest way to produce industry in a people? And whether, if our peasants were accustomed to eat beef and wear shoes, they would not be more industrious?" Similarly, he argued that expenditure in building by the gentry would be more stimulating to the economy than competition in dress or any other form of consumption. (199)

J. M. Keynes suggested that the English mercantilist writers had begun to recognize the connection between unemployment and "the insufficiency of the propensity to consume." (200) D.C. Coleman has emphasized that an inelastic or low level of demand resulting from the limited economic horizons of the

198. E.W. Gilboy, Wages in Eighteenth Century England, (Cambridge, Mass. 1934), pp. 229-231: Supra, pp. 199. G. Berkeley, The Querist, queries number 20; 396, 398. 200. J.M. Keynes, The General Theory of Employment, Interest and Money (1936), pp. 358- See also R.L. Meek, Physiocracy and the Early Theories of Under Consumption, Economica new series, XVIII (1951).

majority of the population was a marked feature of pre-industrial England as of similar underdeveloped, predominantly agricultural, economies in the modern world. (201) Therefore, Defoe thought it would be undesirable, but fortunately impossible, to reduce the whole population to a minimum level of subsistence:

"It is most certain, that the Land in England, subdivided Family by Family, and every Family to enjoy no more, than would decently support them, would maintain all the Inhabitants in England, if they were some Millions more than they are.

But as this levelling Project can never be put in Practice, the World being quite off of that original Way of living, so neither is it best for any Nation to do so; the Opulence, Grandeur and Power of Nations can never be thus rais'd, neither is the Consequence suited either to the Encouragement of Arts, Learning, and all Sorts of active Vertue - There seems to be several lawful Ends of Life in the World, besides meer Living, Food and Raiment, and things convenient are indeed the main Affairs; but as Families rise, encrease here, are extinct there, and circumstanc'd some for Improvement, and some for Decay; the Equality of Division cannot possibly last.

There will be Rich and Poor; the Diligent will improve, and the Slothful will decay; the Sluggard will be clothed in Rags, and the Good-wife will be arrayed in Purple; the Waster will starve, and the good Husband will be Rich.

This is what we call Industry; and this Industry, as in Private Affairs, so in Publick, is still blessed; this makes Nations populous, Kingdoms powerful, great Towns rise, others decay; bring Crowds to this Place, and leaves that bare of Inhabitants, ..." (202)

Yet while Defoe supported the competitive society, he had earlier suggested a national insurance scheme combined with free medical treatment for able-bodied labourers and

201. D.C. Coleman, 'Labour in the English Economy of the Seventeenth Century', Econ. Hist. Rev. 2nd. series VIII (1956). p. 291.

202. Review, Vol. IV, (No. 5), p. 19.

tradesmen of both sexes below the age of 30, who should pay one shilling a quarter. His proposals were not to apply to beggars and soldiers and venereal disease was excluded from the causes of sickness, but there were to be widows' pensions if seamen died on a voyage or in slavery or were lost at sea. Bankrupt Tradesmen who had paid the parish rates were to receive subsistence payments during their imprisonment for debt. He also proposed pensions for the disabled and that the infirm should "be taken into a Colledge or Hospital provided for that purpose, and be decently maintain'd during life," although this last provision was intended to reveal those who were "really in want." In introducing his plan, he declared that the aim was to "prevent the General Misery and Poverty of Mankind, and at once secure us against Beggars, Parish-Poor, Alms-Houses and Hospitals; and by which, not a Creature so Miserable, or so Poor, but should claim Subsistence as their Due, and not ask it of Charity." Anyone begging from "mere Covetousness, without Want" showed such extreme baseness that he ought to be punished like a dog, but genuine need, even if this were the result of idleness or sloth, ought to be relieved, "for no man ought to starve, let his Crime be what it will." So far from poverty being despicable, it is honourable "when a Man by direct Casualty, sudden Providence, and without any procuring of his own, is reduc'd to want Relief from others, as by Fire, Shipwreck, Loss of Limbs, and the like." Also "pressing Poverty" compelled some people "to make their Cases publick," which had been the origin of begging before sloth and idleness made it a trade. (203)

Moll Flanders, Roxana, Captain Singleton, or Colonel Jack, far from resigning themselves to their initial reverses, eventually achieved economic independence, however immoral or even wicked their individual responses to their various disasters might be. Yet while Defoe accepted the duty of self-help as strongly as any Victorian disciple of a laissez-faire philosophy, he never lost his sympathy for the victims of misfortune. The waste of vital manpower which able-bodied begging represented must be prevented by the rigorous enforcement of the existing penal legislation, but there should always be some provision for the relief of genuine distress, preferably by such an insurance project, but otherwise by the traditional local action by the parish authorities.

Defoe, however, was unable to maintain his belief in high wages in the case of servants. Rather, he blamed the increase in wages for the deterioration in the behaviour of servants since the end of Charles II's reign. In this respect England was at a disadvantage compared with France, where servants were indeed servants and were taught "a due Subordination." (204)

"Women Servants are now so scarce, that from 30 to 40 Shillings a Year, their Wages are increased of late to 6, 7, and 8 Pounds per Annum, and upwards; insomuch that an ordinary Tradesman cannot well keep one; but his Wife, who might be useful in his Shop, or Business, must do the Drudgery of House-

hold Affairs; and all this because our Servant Wenches are so puff'd up with Pride, now a Days, that they never think they go fine enough. It is a hard Matter to know the Mistress from the Maid by their Dress, nay very often the Maid shall be much the finer of the two."

Characteristically, he added that the woollen manufacture suffered by the kitchen wenches' preference for silks and satins and he proceeded to show how "plain Country-Joan", encouraged by her fellow servants, was transformed into "a fine London-Madam" who could "drink Tea, take Snuff, and carry herself as high as the best." If "tolerably handsome," coupled with "any share of Cunning," she was likely to seduce the apprentice, or the master's son, or even the head of the household. Despite their excessive wages, they failed to accumulate any reserve against misfortune so that they had to be supported by the parish if they fell sick, or had to choose between prostitution or starvation if they lost place. Some alternated between service and the brothel, but "this Amphibious Life" made them neither "good Whores or good Servants."

"Those who are not thus slippery in the Tail, are light of Finger, and of these the most pernicious, are those who beggar you Inch-meal. If a Maid is a downright Thief, she strips you at once, and you know your Loss; but your retail Pilferers waste you insensibly, and tho' you hardly miss it, yet your Substance shall decay to such a degree, that you must have a very good Bottom indeed, not to feel the ill Effects of such Moths in your Family.

Tea, Sugar, Wine, etc. or any such trifling Commodities are reckoned no Thefts, if they do not directly take your Pewter from your Shelf, or your Linnen from your Drawers, they are very Honest: What harm is there, say they, in cribbing a little Matter for a Junket, or a merry Bout or so? Nay, there are those that when they are sent to Market, for one Joint of Meat, shall take up two on their Master's

Account, and leave one by the Way, for some of these Maids are very charitable, and can make a shift to maintain a small Family with what they can Purloin from their Masters or Mistresses."

If a mistress should so much as enquire after a missing article, she must choose her words with care so as not to offend her maid. Thus they "cheat you to your Face, and insult you into the Bargain. He claimed that servants often doubled their wages by their vails and that they were so well organized that they had "got the Whip-Hand of their Betters." In fact, two servants would scarcely undertake "the Work which one might perform with Ease." This "set of slatterns" were a bad example to children and apprentices, forced their masters' wives and daughters "upon yet greater Excesses" by their extravagance in dress and led men servants to demand higher wages.

He proposed three remedies for the servant problem. Wages should be fixed and limited to 40 and 50 shillings, rising to £5 per annum, but this highest rate was only for those who had been seven years in one service. Secondly, he suggested that women servants should wear liveries like footmen and that this would have avoided his embarrassment when, saluting the ladies at a friend's house, he kissed "the Chamber-Jade into the bargain." He asked why should they not "be made frugal per force, and not put all on their Backs, but save something against a rainy Day?" Fear of spoiling their clothes made them "afraid of Household-Work; so that in a little Time, we shall have none but Chamber-maids and Nursery-Maids." Lastly all contracts between master and servants should be made before a justice of the peace. Faithful

service for the stipulated period should earn a certificate, no one should hire a servant without a certificate and any servant who could not produce one "should be deem'd a Vagrant." He accused "above Ten Thousand Wicked, Idle, Pilfering Vagrants," the London shoeblacks, whom he described as "the Worshipful Company of Jappanners," of committing frequent robberies and of being associated with many more, and of being the leaders of any disturbances in the capital. He therefore proposed that they should be employed in wool-combing and husbandry, where hands were wanted, and, if refractory, "should be sent to our Stannaries and other Mines, to our Coal-Works and other Places, where hard Labour is requir'd" or used to improve the navigation of the Thames by removing sand banks. They could be replaced by "ancient Persons, poor Widows and others, who have not enough from their respective Parishes to maintain 'em," authorized by the magistrates and each having "a particular Walk or Stand." He thought that none would earn less than sixpence a day and that some might earn as much as a shilling or even two. To prevent the shoe-cleaners from reappearing as link boys, only some of the above industrious poor should be allowed to carry a link for hire and they should have a ticket or badge like the ticket porters who carried parcels and letters in London. (205) He also attacked the insolence and exactions of the London watermen, which he again exposed in his 1731 revision of "Augusta Triumphans" (206)

205. Everybody's Business is No-body's Business ... (1725)
passim.

206. The Generous Projector (1731), pp. 45-46. In Second Thoughts are Best (1728) he accused the hackney coachmen, who were "the scum of the people", of being accomplices in many robberies of their customers.

Complaints against servants were not new. In 1668 the author of "England's Wants" observed that "diligence, faithfulness, and humble obedience in Servants" were "now so rare in England" that he proposed a bonus of £10 out of a public stock to each servant who had remained in the same service for seven years. To "reduce servants to their pristine and due humility, diligence, frugality, faithfulness and obedience," he suggested a new law that no servant should be accepted in any other service "without a Testimonial under the Hands and Seals of their former Master or Mistris." (207) This was also required by a writer who claimed to be a magistrate in the north of England in his scheme for an Act for the better regulating servants, published in the same year as Defoe's 'Great Law of Subordination.' He would have imposed a fine of £5 a day for each day in service without such a document but the servant was to have liberty to apply to two justices for a warrant against a master who refused to give a testimonial. He envisaged a register of servants with the high constables presenting lists at every Michaelmas quarter sessions and clerks of the peace registering servants at the centre towns of hundreds. Every servant was to be hired for a whole year but if he did not complete his service he was not to be entitled to any wages for the time already served and he was to be committed to a house of correction. In addition to penalties for over-payment of servants' wages, a servant was not to acquire a title to any habitation under the Act of Settlement unless he became incapable of service by "some Bodily Infirmity." (208)

207. ^(Anon) England's Wants: Or Several Proposals Probably beneficial for England ... (1668) pp. 12, 34-35.
208. ^A A Scheme for an Act of Parliament. For the better regulating Servants ... (1724), pp. vii, 13-25.

Mandeville thought that most servants were rogues and untrustworthy: "if they are Honest half of them are Sots, and will get Drunk three or four times a Week. The surly ones are generally Quarrelsome, and valuing their Manhood beyond all other Considerations, care not what Clothes they spoil ... when their Prowess is in Question. Those who are good-natur'd, are generally sad Whore-masters that are ever running after the Wenches, and spoil all the Maid-Servants they come near ..."

If a master found that rare thing, a good servant, "his Wages must be extravagant, ... every thing in the House is his Perquisite, and he won't stay with you unless his Vails are sufficient to maintain a midling Family." It was "excessive Wages, and unreasonable Vails" that spoiled servants in England: "Those who have all the Necessaries of Life provided for, can have no occasion for Money but what does them hurt as Servants, unless they were to hoard it up for Age or Sickness, which among our Skip-kennels is not very common, and even then it makes them Saucy and Insupportable." He reported that certain eating houses and the precincts of Westminster Hall were "the Academies for Footmen" where "the dullest Fellows" were taught "how to Cheat, Impose upon, and find out the blind side of their Masters." Indeed some were "arriv'd to that height of Insolence as to have enter'd into a Society together" to fix their wages and conditions of service, "directly opposite to the Interest of those whom they Serve, ... If any of them be turn'd away for strictly adhering to the Orders of this Honourable Corporation, he is taken care of till another Service is provided for him, and there is no Money wanting at any time to commence and

maintain a Law-suit against any Master that shall pretend to strike or offer any other Injury to his Gentleman Footman."

(209)

Defoe maintained that the conduct of all servants had deteriorated, not only that of "a few Footmen and Cook-wenches." Nor was the grievance confined to menial servants, but the behaviour of apprentices had been ruined by the great increase in premiums, "from 100 l. to the best Turkey-Merchant in London, before 1640, to 300 l. and now 1000 l. to a Turkey-Merchant, 400 to 600 l. to other Merchants, from 200 to 300 to Shopkeepers." This had weakened the authority of the masters and had broken the foundation of all family economy, "the Rule of Subordination."

(210) In the 'Family Instructor' of 1715, he still clung to the ideal of a Puritan tradesman's household, including the apprentices and servants, with regular family worship an essential feature. Family government was "so natural a consequence to the very being and constitution of master and servant" that servants ought to submit to instruction and family regulation." (211) No wonder that he found the attitude of a new generation of servants intolerable. Ten years after the first edition of his 'Family Instructor,' he regretfully observed that the great increase of premiums had made servants (apprentices) "think it below them to submit to any family government, or any restraints of their masters, as to their morals and religion; but masters also seem to have given up all family

209. B. Mandeville, The Fable of the Bees, pp. 302-306.

210. The Great Law of Subordination, pp. 8-14.

211. A Family Instructor, (1715), Part II, pp. 165-180, 238, 260-261, 283.

government, and all care or concern for the morals and manners, as well as for the religion of their servants." (212) In 'A New Family Instructor' of 1727, references to family government are significantly absent. He was also concerned about the great increase in the number of domestic servants, because, he claimed, they now did less work for their higher wages. This operated like a tax upon "the upper sort of tradesmen" and was often responsible for their business failures" by the extravagant keeping three or four maid servants ... nay, sometimes five, where two formerly were thought sufficient." He estimated that there now were, within a ten-mile radius of London, 100,000 more women servants, and footmen than there had been thirty years before and that each of these would be receiving £2 a year more in wages. (213)

Defoe's two pamphlets on the shortcomings of servants were so obviously written from the master's standpoint that they tend to be more critical of the English workman than any of his other works. "The miserable Circumstance of this Country is now such," he announced, "that, in short, if it goes on, the Poor will be Rulers over the Rich, and the Servants be Governours of their Masters; the Plebeij have almost mobb'd the Patricij; and as the Commons, in another Case, may be said to be gotten above the Lords, so the Cannaille of this Nation impose Laws upon their Superiors, and begin not only to be troublesome, but in time, may be dangerous." He stated that he had been accompanied on some of his travels by the son of

212. The Compleat English Tradesman ... Vol. I (1725), p. 161.

213. Ibid, p. 115.

a great West Country clothier, who, as a buyer of Lincolnshire and Leicestershire wool, had a wide knowledge of "the Poorer sort of People, Farmers and Manufacturers of every kind" in many parts of England for sixty years. He presented an idealized picture of the common people before the Civil War, when they were "plain, fair dealing, sober, open-hearted, courteous, humble; that generally speaking, they were very honest in their dealing, ... that the Servants were modest, humble, mannerly, and subservient to those who entertain'd and employ'd them, that the Apprentices were quiet, diligent ... laborious, and work'd hard for their Master's Benefit." Since the great change in their outlook during James II's reign, "you cannot with safety hire a Workman by the Day, to almost any Kind of Business, unless your Eye be upon him, not only part, but even all the time of his Work ... The labouring People have their Eyes now not at your Work, but at their Wages, and if they can but secure the last, their Business is to cheat you in the first as much as possible, but especially as to Time." Declaring "I never knew a Servant, or a Workman in England, one farthing the better for the Encrease of his Wages" he also attacked "the Labouring-Poor" for "their Combinations in their Business; imposing upon the Gentlemen in the way of their Employments; tho' all Combinations in order to raise the Price of Goods, or Workmanship, are against the known Laws of the Country." Referring to the disturbances in the Devonshire clothing towns in 1717 and 1724, he asserted that the workmen had demanded a third rise although their masters had raised wages twice "and that considerably." Being refused, "entring by Force into

the Houses of such honest Weavers as they found were at Work; they broke their Looms to pieces, spoil'd the Warps, and cut in pieces the Goods which they had been at Work upon, ... many of the quieter innocent poor Men ... durst not Work, for fear of being Mobb'd" until the government put an end to this "rattening" by the use of regular troops. (214)

There may have been a change in Defoe's outlook as he approached old age, but there is no echo of these opinions in his last major economic pamphlet, 'A Plan of the English Commerce' where he strongly supported high wages. Only in the last year of his life, did he seem to accept the prevailing opinion that the price of food determined the rate of wages and that cheapness caused consumption, when he was arguing in favour of a balance in the price of provisions, not too dear to cause hardship to the poor, or too cheap for the farmers:

"To have Provisions too dear, whether Bread or Flesh Meat, is no Advantage in the main to any Side, and tho' the Farmers rejoyce in it, yet the poor mourn; they suffer and fare hard, ... and the Rate of Wages not immediately rising with it, their Families frequently want Necessaries.

... a happy Medium is the Foundation of the Nation's Prosperity, ... then the Husbandman and the Grazier rejoyce together, the Poor live comfortably, the Middle Sort plentifully, and the Rich luxuriously; for the Wages will buy Bread, the Bread will pay Rent, the Rent will pay Taxes, and all the Kinds (I say) rejoyce together.

In this Equallity also, Trade finds itself well supported, the Merchant Victuals his Ships upon a Foot of Plenty very reasonable, the Seamen maintain their Families well upon the Foot of their ordinary Wages, and does his Business cheerfully ...

214. The Great Law of Subordination Consider'd ..., pp. 17, 51-52, 70, 78-82, 113-115. See House of Commons Journals, vol. xviii, p. 715; vol. xx, pp. 268-269, 598, 602, 648.

In a Word, the Rate of every thing attends the Rate of Provisions, if Provisions are low Wages will be so too, the Manufactures will be made cheap and come cheap to Market, and as Cheapness causes Consumption, the Quantity consumed will increase in its Demand, and so in every thing else, when Labour is cheap and Provisions plenty Trade flourishes ... " (215)

Defoe's ideal was obviously a well-ordered, balanced society, regulated by the traditional laws and customs, harmonizing as far as possible the interests of all classes but where the employers' advantage was finally paramount because the volume of trade, and therefore the prosperity of the whole nation, was dependent upon their success in finding profitable markets for their products.

Although THE WOOLLEN INDUSTRY survived in his memory, he also recalled the virtues of English wool and English cloth. Throughout the seventeenth century and for a great part of the eighteenth, English writers on trade sang the praises of England's commercial success resulting from the quality of English wool, even while they were instancing their particular forebodings about the industry to which it gave rise. An industry which provided employment in every county, which was in many the only manufacture of note and which, in 1700, still provided almost half the value of all our exports, was bound to figure prominently in their pamphlets. (1) To John May, in 1613, this "royall commoditie" was "a blessing sent from Almighty God upon this nation more than all the people in the world" and was specially marked by the absence of "ravens, wolves" or other wild beasts which might prey upon our precious sheep. When "wrought to the height" it made "rich silk seeme foreine rags" and would certainly outwear that symbol of pride, woollen manufactures. (2) W.S., the author of 'The Golden Fleece', said that wool was "the Flower and Strength, the Revenue and Blood of England" and similarly, the coffee and silk goods of eastern Asia were "the Milk and Honey of the Grasier and Country man ... the Gold and Spices of the West and East India to the Merchant and Citizen." (3) Soon after the Restoration, William Carter, that devoted protagonist of a plan to keep our wool at home, repeated some of these identical phrases and added that it was "the Richest Treasure in his Majesties Dominions" and "the continued supply of Bread to the Poor." (4)

1. W.R. Davis, 'English Foreign Trade, 1660-1700,' Econ. Hist. Review, 2nd Series, VI (1954), No. 2.
2. John May, A Declaration of the Estate of Clothing ... 1613.
3. W.S. Gent, The Golden Fleece ... 1656.
4. W.C., Englands Interest by Trade Asserted ... 1671.

Although he was a little more restrained in his imagery, no one extolled the virtues of English wool and English cloth more than Defoe and his conviction that this was the foundation of England's commercial greatness remained an article of faith with him throughout his career as a writer. As he declared in 1719, "the Woollen Manufacture is the Staple of our Trade, the Soul of our Commerce, the Original Foundation of our Wealth, and, ... the most essential part of the Riches of the Rich, and the principal Means we have for employing our Poor." (5) Nine years later, he described it by one of his favourite phrases as "a Prodigy in Trade" which out-did "any single Branch of Trade, or any particular Manufacture of any other Nation." He admitted that linen was "so universally useful" that it was probably used even more extensively than English cloth but this was not "a national Manufacture, but a Manufacture of many Nations" whereas woollen manufacture was "a Nostrum, a Peculiarity to England ... and Ireland, ... an exclusive Grant from Heaven to Great Britain." Similarly, the calico and silk goods of eastern Asia were "an universal manufacture" which, by spreading into Europe, had become "a general Grievance" but these again were made by several nations, "nay Empires of Nations, such as the Empire of China, and of the great Mogul, the Kingdoms of Golconda, of Siam, of Cochinchina, and many more," and many European nations also had silk manufactures. (6) Again he accepted that Italian silk was "the greatest product in one single article" in any European country because the raw material was so much more valuable than

5. A Brief State of the Question ... (1719), p. 29. Cf. A Plan of the English Commerce ... (1728), p. 115.
6. A Plan of the English Commerce, pp. 129-130.

wool, but the value of the latter was much increased by its many changes in manufacture. (7) It was not only "the prodigious Quantity of the Wool, the Numbers of the People employ'd in it, the vast Quantity of Goods made and the, Beauty and Perfection of the Performance" which made the English woollen industry "the most extended Trade of its kind in the Universe" but also that its products were so generally worn throughout the world. (8)

"... In a Word, all the World wears it, all the World desires it, and all the World almost envies us the Glory and Advantage of it. Nor is it the Dress of the Mean and the Poor in the several Countries where it spreads, but of the Best and Richest: The Princes, nay ... the Kings of the Earth are cloth'd with it ... the Czar of Muscovy, the Kings of Sweden, Denmark, Prussia, Poland; nay, even the Emperor of Germany himself, cloathed in English Cloth.

The King of Spain vouchsafes even on his Days of Ceremony, to appear in a Bays Cloak; the Grand Seignior, Lord of the whole Turkish Empire, has his Robe of English Cloth, and the Sophy of Persia, amidst all his Persian and Indian Silks, wears his long Gown of Crimson Broad Cloth, and esteems it, as it really is, the noblest Dress in the World.

As it is with the Princes, it is, and ever will be with the People, the Nobility, the Gentlemen, and in a Word, the Burghers, the best and wealthiest of the People are generally cloath'd with it; nay, so far has it prevail'd, that in Russia and Sweden, and other cold Climates, it has been known, that those who could not go to the Price of English Cloth, have bought the Lists of it which the Taylors cut off, sew'd them together, and lin'd them with Furs, to make them long Robes or Garments, which they wore in that Country, till the late Czar cut them shorter for them." (9)

English cloth was to be found on all the main rivers of Europe and in the tradesmen's shops in every capital city in

7. Atlas Maritimus et Commercialis (1728) p. 101.
8. Ibid, p. 134.
9. A Plan of the English Commerce ... pp. 135-6.

Germany. Usually more than £100,000 worth of it was sold each season at the great fair at Messina, and the Italians were generally clothed in the new, lighter "stuffs", "the Clergy in black Bays, the Nuns ... veil'd with fine Says, and Long Ells." In Portuguese Brazil and throughout Spanish America, even within ten degrees of the Equator it was worn, and in Mexico, "the utmost Pride of the proudest People upon Earth" was "to have their Westcoats and Breeches of fine Camlets, and other Stuffs, of Crimson and Scarlet; and over all, a Cloak of our Essex Bays." While it was "not too cheap for the Nobility" it was "not too dear for the Burghers and the Tradesmen, no not for the Boors, and the Peasants; not too gay for the Men, not too grave for the Ladies." The only part of the world where it had not yet found a market was in East Asia because of "the infinite Variety of their own Manufactures" and the short time that the English had traded there, but it was beginning "to be received in China" and at the court of the Mogul. Although the people of many countries enjoyed a choice of linen, silks, velvets and furs of their own manufacture, "nothing," Defoe declared, "can answer all the Ends of Dress, but good English broad Cloth, fine Camlets, Druggets, Serges, and such like ... Be their Country hot or cold, torrid or frigid, 'tis the same Thing, near the Equinox, or near the Pole, the English Woollen Manufacture clothes them all; here it covers them warm, from the freezing Breath of the Northern Bear; and there it shades them, and keeps them cool from the scorching Beams of a perpendicular Sun." There were only "three Sorts of People in the World" that did not wear English cloth - the inhabitants of

eastern Asia, those who lived in hot countries and wore no clothes at all and those who were "so very poor and despicable" that they could not get it. (10)

On two occasions Defoe traced the growth of the woollen industry in Europe and although these accounts are fanciful and in our eyes completely unhistorical, they reveal his underlying ideas about the place of wool in England's foreign trade. He was far too involved in the turbulent life of his own age to share the antiquarian enthusiasms of Camden, Stow or Sir Robert Cotton and, apart from the world of Greece and Rome, his conception of all history before the recent past seems to be that of a chronicle of events in which conjecture and tradition were entertainingly blended. Although he was influenced by Machiavelli's principles of statecraft, he probably shared Raleigh's conviction that "in terms of second causes all history was the history of accidents." (11). Excusing himself for dealing with the "dry subject of Antiquity," he claimed that it was "necessary to bring everything on gradually and from its Beginning that the Chain of History" might not be broken and that he would not have been able to call the work a history unless he had gone back to the beginning of things. True to his constant regard for the Carthaginians as the greatest traders of antiquity, he traced the beginnings of textiles to the fine linen of Egypt, of which the manufacture reached Carthage from

10. Ibid, pp. 138-143.

11. Defoe made frequent references to Machiavelli, e.g. The Balance ... (1705) p. 35; F.S. Fussner, The Historical Revolution (1962) p. 200; Sir W. Raleigh, History of the World (1614) Preface; Book I, ch. 1, x, p. 13; Book II, ch. 21, vi, p. 535.

the mother cities of Phoenicia. When their city was destroyed by the Romans, some Carthaginians fled to France and then to Flanders, or Belgia, where they taught the Flemings not only how to make linen but also wool, "for the old Numidians had Wool in great Plenty and the Wool of Barbary is good to this Day." Neither Flanders nor France yielded any wool but the Flemings found ample supplies of fine wool in Britain and he surmised that they had begun to use this for cloth about the year 260, which he thought was about the time when the Emperor Hadrian came to Britain. (12) He declared that Britain had continued to supply the Flemings with wool until the reign of the first Tudor, to the great enrichment of the English kings, barons and clergy, despite the money wasted in foreign wars and the Crusades, but that the common people "sat begging and starving for want of Work, and for 100 Years together follow'd the Priests and Priest ridden Princes, ala Santa Terra, to find Graves in the Arabian Deserts among the Turks, and all for want of Business at home." It was, indeed, a matter for general wonder that Englishmen, who alone had "the Blood of the Manufacture," should "for so many Ages sit still, see their Neighbours grow rich, and powerful, and opulent, by their Industry and Application, ... and see their own Women and Children idle and starving, the Poor out of Business, ... flocking over to those Countries, ... and never so much as try whether they could not manufacture their own Wooll." Ignoring the part which other writers ascribed to Edward III, Defoe asserted that it was that "avari-

tious though politic Prince", Henry VII, who had seen the wealth of the Flemish towns during his exile, who first recognized "the shameful Indolence of the Nation." He invited some Flemings to teach his subjects the craft and persuaded Parliament to pass an Act prohibiting the export of wool. Because Englishmen did not for some time become sufficiently skilled to use all the supply of wool, it was left to Elizabeth to enforce the ban and the ruin of Flanders was completed by Alva's persecution which drove so many of the Flemish workmen to seek refuge in England. (13) Elizabeth also furthered the development of the industry by encouraging her navigators and merchants to establish trading posts and colonies and by sending embassies to foreign potentates to open "the Sluices of Trade to her Subjects." (14)

Defoe's account "from the rusty Fragments of antient Times" to the end of the sixteenth century completely ignored the cloth manufacture of the medieval English towns and made two rulers responsible for this revolution in his country's commercial development, possibly because he so completely shared the common belief in the effectiveness of governmental intervention in economic affairs. Further he was at pains to emphasize how the English had neglected their priceless asset for so many centuries and to make the contrast all the sharper between the mere production of a native commodity and its full development by manufacture. Contemporary economic pamphleteers

13. A General History of Discoveries and Improvements in Useful Arts ... (1725-26), pp. 208-214; A Plan of the English Commerce, pp. 92-99.
14. A Plan of the English Commerce, p. 99.

made large claims for the value added by manufacture and Roger Coke said that one pound of wool worth one shilling was made into a piece of cloth worth ten shillings and that ten times more people enjoyed employment, which was also more continuous, than that of the shepherds and clippers of the wool. (15) Thomas Manley went further and affirmed that a pound of wool manufactured and exported was worth more "by employing our people, than ten pounds exported raw at double the present rate." (16)

Defoe's account also shows his Puritan condemnation of the power and wealth of the pre-Reformation English Church, but the intensity of his contempt for England's feudal bondage under the Gothic constitution is more vividly demonstrated in another pamphlet of the years 1727-8, describing how England without the stimulus of industry "lay neglected to the last Degree," plunged in "a Miscellany of Sorrow."

"In this State of Indolence, or rather horrid Ignorance and Blindness, was this whole Nation, as it were, Philtred and Bewitched, ... Like People buried alive in Sloth and Idleness they sat still, ploughed and sowed as much Corn as served just to feed them, shear'd their Sheep every Year, and, as it may be said, threw away their Wool; went to the Wars, were knocked on the Head for the Honour of Old England, and the Glory of their great Kings; ... As to the poor Women and Children, they sat at home, fared hard, lived poor and idle: the Women drudg'd

15. R. Coke, England's Improvements In Two Parts (1675), pp. 7-8.
16. T. Manley, A Discourse Shewing that the Exportation of Wooll is destructive to this Kingdom.(1677), p. 3.

at the Husbandry, and the Children sat still,
blow'd their Fingers, pick'd Straws; and both
might be said not to live, but to starve out a
wretched time, ..." (17)

His explanation of the origins of the English cloth industry is obviously bound up with his conviction that English wool was far superior to that of any other country. Although Dr. Bowden, following Lipson, maintains that the quality of the English fleece deteriorated during the seventeenth century, with the spread of enclosures, and that after the middle of the century, "not even English writers could deny that Spanish wool was the finest in the world," this does not seem to have been the view of contemporary writers. (18) Perhaps they were putting an inconvenient fact behind them, but they almost invariably maintained that Spanish wool was not used for worsteds because it was short-staple and could not be combed and that it was necessary to mix it with English wools in both medley and pure woollen cloths to gain the required strength in the finished fabric. In the pamphlet quoted by Dr. Bowden, "The Golden Fleece," the author, W.S., wrote, "those of Spain are finer than in any other part of the world, yet will not those of Spanish sort in worke

17. A Brief Deduction of the Original Progress and Immense Greatness of the British Woollen Manufacture ... (1727) pp. 9-10. His social outlook is examined in my M.A. Thesis, The Political Ideas of Daniel Defoe (1961) pp. 1-31, 101-2, 105-7.
18. P.J. Bowden, The Wool Trade in Tudor and Stuart England, (1962), pp. 26-27. E. Lipson, The Economic History of England, 3rd edition (1943), iii, 31-32. Dr. Bowden's conclusion has been disputed and Professor R. Davis has noted that "the movement of the main centres of sheep rearing from poor uplands to enclosed mixed farms in England is said to have produced a lengthening and coarsening of the wool making it suitable for worsteds; while the movement of flocks from migratory life over poor uplands to living on enclosed farms in Spain was associated with a shortening and refining of their wools that made them suitable for fine woollen cloth." R. Davis, English Overseas Trade 1500-1700 (Econ. Hist. Soc. Studies in Economic History 1973) p. 38.

with any other Nations, unless it be those of England ... peradventure ... because the Spanish woolls are grown originally from the English sheep ... which being carded together ... they produce the richest manufactures in clothing which the whole world can shew." (19) Another pamphleteer declared that Spanish wool was "much too fine (especially for Worsted Stuffs, and not in any wise fit for combing); so that without English or Irish Wools there can be no fine Worsted Stuffs, nor a middle sort of Cloth made, in the whole World." (20) John Houghton, defending his proposal for an excise duty of a groat a pound on both native and imported wool, claimed that it would not then be worthwhile for foreigners to buy British wool and added, "although Forreign Wool be a good help to us ... it is a very sorry Manufacture that Forreigners can make of their Wool, without a mixture of some of ours ... if we can keep to ourselves the English and Irish wool, we shall have a great Advantage of other Folk." (21) Dr. Davenant wished that the foreign demand "were only for the fine draperies, because then we should be in a manner without a rival; no country but England and Ireland, having a soard or turf that will rear sheep, producing the wool of which most of our draperies are made ... the wool of Spain is fine above all others, but it is the wear only of the richer sort; and of Spanish cloths not above 9000 pieces are sent abroad, communibus annis. And even in the working up of this wool, perhaps ... our very climate gives us an advantage over

19. W.S. Gent, The Golden Fleece ... pp. 59-62 (no page 60)
20. England's Interest Asserted ... (1669), p. 4.
21. J. Houghton, A Collection of Letters ... Vol. II, (No. 6, June 16, 1683), pp. 184-5.

other countries." (22) In dismissing the allegation that the French and Dutch could support their woollen manufactures without English or Irish wool, the author of 'Britannia Languens' asked why they had been so "ravenous" after British wool and accepted the arguments of the English clothiers "that a mixture of fine English, and fine Spanish, makes a Cloth so much cheaper and more serviceable than of all fine Spanish, That it must needs beat out any Forreign Manufacture made of all fine Spanish, (which is always near twice as dear as our finest English Wooll) and therefore have the English and Dutch near subverted the Venetian Cloth-Trade in Turkey." (23) Another writer, in 1685, agreed that Spanish wool was twice as dear as English wool, but claimed that a great quantity was nevertheless sold here. Perhaps a grazier, he, like Houghton, favoured a duty on Spanish wool in order to raise English wool prices and, in support of this step, he pointed out that the medley cloths which used Spanish wool were only made (within a "compass of twenty miles or less," in Somersetshire and Wiltshire by less than a hundred principal clothiers. He also suggested that English traders should buy up the whole of the Spanish wool supply each year and import it, but subject to a duty. There should be no scruple about seizing the trade from the Dutch for the cloth trade was,

"our antient Right, and did always belong to our Nation." (24)

21. C. Wilson, 'Wool Protection and International Competition in the Seventeenth Century', *Economic History Review* 2nd Series, XLII (1960), pp. 2.
22. C. Davenant, An Essay upon the Probable Methods of making a People Gainers in the Balance of Trade (1699) reprinted in
27. Works, ed. C. Whitworth (1771), II, p. 235.
23. (Philanglus), Britannia Languens ... (1680) Early English Tracts on Commerce, ed. J.R. McCulloch (1952 reprint), p. 322
24. (Anon) A Treatise of Wool and Cattel ... (1685), pp. 6-23.

Such a plan had been put forward in 1651 and it was repeated by John Cary in 1695 as the only way to prevent the French from obtaining Spanish wool. (25) Cary suggested that this should be part of a bargain, with the Dutch, who would not be opposed to the scheme if we allowed them to transport the wool, and in return we should relinquish to them our part of the East-India Trade. Cary also repeated the earlier comments on the unsuitability of Spanish wool for combing and that it would only mix well with English or Irish because it had been raised from a stock of English sheep. (26) William Wood, in 1718, thought that the wool of other European countries was "not so fit for Workmanship" (27) although he admitted that it was to be found in almost all of them and as late as 1740, a London draper insisted, "our Wool for Clothing is, to all the World, so much a Necessary of Life as any thing else ... because the midling Sort of Cloths, for the Use of the Bulk of Mankind, cannot be made without it, (nor any Sorts manufactur'd to any Perfection." (28) By this date, however, opinion was changing. As Sir Matthew Decker announced, "it seems something surprising that such small Countries as the British Isles should be ever supposed to grow sufficient Quantities of Wool, and that of peculiar Sorts too, to glut all the World with its Manufactures,

25. C. Wilson, 'Cloth Production and International Competition in the Seventeenth Century', Econ. Hist. Review, 2nd Series, XIII (1960), No. 2.
26. J. Cary, An Essay on the State of England, (in relation to its Trade ... (1695), pp. 38-39.
27. W. Wood, A Survey of Trade ... (1718), p. 251.
28. A Draper of London, The Consequences of Trade (2nd. edn. 1740) p. 11.

or that it should be thought a reasonable Answer to the Question; How comes our Woollen-Trade to decay? to say, The Quantities are too great for the Consumption." But, like almost all the pamphleteers, Decker was urging his own particular nostrum for Britain's ever-declining trade, when she was, in fact, about to experience another period of expansion, and in the same pamphlet he added this revealing comment, "Spain has prohibited our Woollens, but had a Reduction of our Taxes brought them to their natural Value only, they would be the cheapest in Europe of their Goodness." (29) Whereas Chamberlayne in 1669 had maintained that Spanish cloth was mainly made from English wool, by 1747 Smith declared, "the best Spanish cloths, called superfine, have no English wool in them." (30) Smith, of course, was writing from the standpoint of the grazier in favour of the export of British wool, but Dr. Bowden believes that his statement is correct. (31) In fact, except in the

29. Sir M. Decker, An Essay on the Causes of the Decline of Foreign Trade (1744), pp. 30-31, 75. For the evidence for expansion, see P. Deane & W.A. Cole, British Economic Growth 1688-1959 Trends and Structure (2nd edn. 1967) pp. 47-84.
30. E. Chamberlayne, Angliae Notitia, (1669) p. 41; J. Smith, Chronicon Rusticum Commerciale or Memoirs of Wool (ed. 1747), ii 407 (note), 499.
31. P.J. Bowden, op. cit. pp. 212-214; According to the tables in E.B. Schumpeter, English Overseas Trade Statistics 1697-1808 (Oxford 1960), it appears that English imports of Spanish wool were only about one-twelfth of the English domestic supply (as calculated by Dr. Bowden) in the first decade of the eighteenth century, apart from the supplies of Welsh, Scottish and Irish wool, and tended to decline thereafter while the supply of English wool increased. Miss Julia de L Mann, in her review of the reprint of Dr. Bowden's book (Econ. Hist. Rev. Second Series, Vol. XXV, (1972) p. 312) thinks that he has overestimated the influence of Spanish wool and that "Spanish cloth" denoted a changed technique of manufacture rather than the use of Spanish wool, "since much of it contained very little, or even none of the latter. Referring to the Custom House ledgers, she states that the quantity imported in 1697 was under 800,000 lb. See also Miss Julia de L Mann, The Cloth Industry in the West of England from 1640 to 1880 (Oxford 1971) pp. xiv-xvii, 11, 14. The ostensible "Sussex Farmer" author of The Advantages and Disadvantages which will attend the Prohibition of the Merchandise of Spain (1740), who favoured prohibiting its import, estimated this on p. 16 at 6000 packs or 1,200,000 lb.

one matter of the supply of long-staple wool for worsteds, all the foregoing remarks by contemporary writers were inaccurate but they show how widespread were the current misconceptions about the monopoly of the raw materials of the woollen industry which Britain was believed to hold.

When Decker and Smith were publishing their pamphlets, Defoe had been dead for more than a decade and in all his writings on the woollen industry he advanced similar opinions to those which have just been examined, only more trenchantly, as in the following view of Spanish wool:

"England matters not what any Nation can do in Woollen-Manufacture by the Spanish Wool, if they have not English Wooll to mix with it ... they may make some Clothes and some fine Druggets all of Spanish Wooll, ... but what's this to the Gross of our Woollen Manufacture, our middling Clothes double and single Dozens, or Yorkshire-Cloths, our Western Whites, our Kersies, Bayes, Norwich Stuffs, Exeter Serges, Sayes, Perpetuanas, Shaloons, Sagathies, and common Druggets; our Flannels, Cottons, Frizes, Stockings, and many other sorts of Woollen Goods made here, have not a Hair of Spanish Wooll in them, nor cannot be made of it? And those Clothes and Druggets which have some Spanish Wooll among them have a great Mixture of English Wooll in them: Those Goods that are made wholly of Spanish Wooll, being but a few compared to the rest ... keep out our Wooll from the French, and we value not all they can do in the Manufacture with all the Spanish Wooll they have, or can get.

We have Spanish Wooll as well as the French, and can have as much as we please, but take away our own Wooll from the Work; and let any Manufacturer be asked, what would become of our Trade? We have many large Provinces or Counties in England, where the Woollen Manufactures are their whole Business, ... where perhaps the manufacturers never saw an Ounce of Spanish Wooll in their Lives; what would our Colchester Bay-makers, or Welsh Flannel-makers, or Sudbury Say-makers do with Spanish Wooll? What would they make of it at Leeds, Hallifax, Wakefield, Rochdale, Bradford, etc. in the North of England?

... Had these Men spoken to the purpose, they would have complained of the French, how that by the help of English Wooll to mix with the Spanish Wooll, they were enabled to make our Medley Cloths, and that thereby, for it can be no other way, the Spanish Wooll is made more serviceable to them, ..." (32)

Most of the above varieties of cloth were of course worsteds, but he obviously thought Spanish wool unimportant for most of the cloth produced in England, although he did admit that some cloth was made entirely of Spanish wool. Of the wools produced in other parts of Europe he was quite contemptuous, but especially of French wool. During the controversy over the proposed commercial treaty with France, he wrote, "The Mercator has told them of the Dogs-hair Broad-cloth, unshave Dozens, Cabbage-net Bays, and other sorry Manufactures of the French Nation, and thinks still that they are very just Epithets; and those Gentlemen that have lived in France can justify it to be so." (33) In the next issue of his journal, he admitted that the French had made perpetuanas "in a tolerable manner, though never to match the English in Goodness and Price," but challenged his opponents to buy a piece of French bays at Leghorn, if they could find one there, and bring it to Colchester Town Hall. "What Laughter would it raise among the People there?" he exclaimed, "What a Satisfaction would it give to the good People the Bay-Makers there; to see what mighty Steps these new Manufacturers have taken towards Cutting them out of their Trade?..." "Countreymen of Colchester be of good Heart;" he continued, "you are in no Danger of being rivalled by the French;

32. Mercator, No. 168, June 19, 1714

33. Ibid., No. 105, Jan. 23, 1713 (1714)

Nor can any Man say with Truth, that the whole Kingdom of France ever made a Piece of Bays that would have been Sealed at your Hall." (34) This question of the quality of the raw material was decisive in Defoe's eyes, as the following extract shows:

"Whence had the English the Skill of working in Wooll? Did we not learn it from the Dutch? (35) ... How came they to lose it to us? Was it not because we withheld our Wooll from them, and they could not work without Wooll ...? How then shall they recover the Trade from us, when they have neither the Skill in Workmanship or the Wooll, and we have both?

The Dutch had once all the Workman, ... not a piece of Goods was made in England; Two Millions a Year went hence to buy Cloths; our Lead, Tin, Coal, Corn, Cattle, and Wooll, all went abroad to purchase Woollen Manufactures; (36) Why did they not keep it? ... they wanted nothing but the Wooll, and we had nothing towards it but the Wooll; and that one Article turn'd the whole Scale of the Trade; we stopp'd the Wooll ... and all the Manufacturers ran hither after it, ... In a Word, England has nothing to do but keep her Wooll at home; and if all the Manufacturers in the Nation runs away, they could not carry away the Manufacture with them, nor set it up in any foreign Country.

It is true, we have the Skill, and the Spinning, and the best Workmen in the World. But woe be to England, when our Neighbours want nothing but Workmen and Skill to take our Manufactures from us; it is true, it is not done presently, it must be the Work of time. But why have not the French and the Dutch also obtained this Skill in a Hundred Year or more? It is evident, they have a skill in proportion to their Quantity of Wooll which they have to Employ, and to the Quality too, ... They do make as good Goods as the Wooll they have will permit them to make; and the more of our Wooll they get, the better Goods they make, ... (37)

34. Ibid, No. 106, Jan. 26, 1713 (1714)
35. Defoe used Flemings and Dutch interchangeably in this connection.
36. Defoe probably used this figure of £2 million because Dr. Davenant followed Gregory King in giving this value to the annual exports of English woollen goods.
37. Mercator, No. 161, June 3, 1714.

Defoe could never resist developing a particular argument as far as it would go, or even beyond the limits of sense, as in this ludicrous passage from his next issue. Perhaps the journalist triumphed over the polemicist and it was, moreover, an age of keen national rivalries.

"... if our Sheep were carry'd abroad too, and the Wooll on their Backs, yet that it would not effectually do the Work: ... were our Sheep able to produce the same Wooll in France as they do in England, the French would long ago have had as good Wooll as England, and as much of it. They have had hundreds, nay ... thousands of our Sheep carry'd over into France, and they would never have had the Wooll to fetch every Year, if they could have produc'd it at home from the Breed of our Sheep. ... the Sheep change their very Nature by the Difference of the Soil, and cannot by any Methods be brought to preserve the Fineness of their Wooll, no not for one Season; if English Sheep are carry'd unshorn ... the very next Years Wooll shall be quite another Thing, it shall decline and be coarse, short and ragged, till in two or three Year declining more and more, it shall be meer Dog's Hair, and not fit to make the coarsest Kersie, or Half-thick that we make in the North. ... why have not the French had Wooll enough many Ages ago, as we find the Spaniards had, who as all agree, deriv'd that Growth of Wooll from a Breed of English Sheep, which the Soil in Spain has improved to an exceeding Perfection. The reason is evident; the Wooll like the Fruits of the Earth, follow and obey the Climate and the Soil, and they will not improve in some Countries while they will to Admiration in another, ... If you carry a pack of English Hounds into France, if they are Fleet-Hounds they lose their Noses in Two or three Years, if Deep mouth'd Hounds they will lose their Noses, and the Ring or Mouth, which is so Musical here, and which adds to the Pleasure of the Sportsmen.

Again; If you carry an English Bull Dog into Holland, the Creature retains no more the fierceness of his Nature, his generous Courage, and the desperate Hardness which makes him so valuable here; ... he degenerates into a little Cur as tame, cowardly and dull as a meer Mongrel, as we see in the little brindled Dutch Dogs, ... which are the breed from our Bull-Dogs, ... Thus it is in our Running Horses, they lose their Speed; our Game Cocks lose their cheerful Courage; and our Sheep lose their Wooll if Transplanted into other Countries; ...

... Why is one Country unable to produce what another Country abounds with? Thus Heaven has given exclusive Blessings to several parts of the World, ... and which no doubt was done for a Foundation of that extent of Commerce which so Universally was to spread over the whole World." (38)

Holding these views, Defoe was gratified that almost all the materials used in the industry were native products. Fuller's earth was, like wool, thought to be an exclusive gift from God to the English nation, and the only exceptions were oil from Naples, Spain and Portugal and some dyestuffs, such as galls, indigo and cochineal. Spanish wool, chiefly from Bilbao, he said, was "an Extra, ... a Step out of the ordinary Way," and the only other imports of foreign wools which he mentioned were "sometimes" small quantities of very good wool, called Caramania wool, from Turkey and again, infrequent, small amounts of "a good sort of wool from Barbary; ... of good substance, a long full staple, and not very coarse." If the Spaniards had been "an industrious, diligent people," ready to mix this neighbouring supply with their own, he thought that they could have made "as good a manufacture as our Spanish cloths." (39)

Since English and Irish wools were so incomparably superior to those of Holland and France, Defoe, in common with all the economic writers of the time who were not representatives of

38. Ibid, No. 162, June 5, 1714. Cf. Atlas Maritimus, p. 144.

39. A Plan of the English Commerce, p. 57; The Compleat English Tradesman, Vol. II, Part 2, pp. 51-52.

the grazing interests, strongly supported the complete ban on the export of the raw materials of the clothing trade and regarded smuggling almost as treachery. There were "no greater Thieves in the Nation, to the Nation, than those who Export our Wooll," he declared. (40) He listed three main outlets, the coasts of Kent and Sussex (particularly Romney Marsh), Scotland and Ireland, but he also suggested that the Dutch obtained wool from the Lincolnshire coast. (41) At first, he thought that the local registry of wool in Kent and Sussex had effectively stopped the first leak, affirming that "the Owling Trade is in a manner suppress'd, at least comparing the Quantity to what went out formerly from thence." As for the large quantities of English wool which were believed to have been carried out of Scotland, he claimed that this trade was "entirely stop'd by the Union," evincing as one proof of this that the Swedes and the Prussians, who had begun to make coarse cloth with Scottish wool, were again buying those goods from England. Ireland, however, was a back door which was still too open and the main source of supply for the French. (42) This was putting "the Knife into their Hands," for it was Englishmen who were finally responsible for this drain of our precious raw material. (43) To "let our Trade Blood ... out of our Veins..." he reiterated, "we are the Self-Murtherers, and destroy our Commerce with our own Hands ... The most the

40. Mercator, No. 168, June 19, 1714.

41. Review, Vol. IX, (No. 88), p. 176; Mercator, No. 130, March 23, 1713 (1714)

42. Review, Vol. IX (No. 88), p. 176.

43. Ibid., (No. 90), p. 180. Cf. Vol. IX (No. 99) p. 200.

French do in it is to come with Snaws and Sloops to the Coast to fetch it off, ... in Ireland, where it goes off in whole Freights, our own Ships are the Carriers of it." (44) Although he believed that the French obtained a great deal of wool from both England and Ireland, reporting a figure of as many as 40,000 packs from Ireland to France in 1713 or two-fifths of his estimate of the Irish supply to England, he realized that these supplies secured by smuggling must mean uncertain deliveries and higher costs for the foreign manufacturer. (45) In one 'Mercator' he referred to an "account in our Prints of a skirmish in Kent between Custom-house Officers and the Country People, in which some lives were lost" and that the reason given by one of the farmers for being involved in such an undertaking was "the extraordinary Price these Owlers ... give for their Wool." He continued, "they will give 12 l. for as much Wooll as would otherwise yield but 7 l. add to this, the Charges of Vessels double Mann'd, these Men in consideration of the Danger always double paid, then add the hazard of Loss, and last of all the Profit of the Adventure, which if it was not great, no Man would undertake it." Wool, which in England, could not command a price above 17s. to 19s. was sold to the manufacturers in France for 50s. (46) Earlier, Houghton had made the same point: "The Wool comes from Ireland to us by Allowance, and in short Voyages; to them by Stealth, and longer, why ... we may not outdo them now, as well as formerly." (47) In 1729,

44. Mercator, No. 163, June 8, 1714.

45. Ibid, No. 138, April 8, 1714

46. Ibid, No. 127, March 16, 1713 (1714), Cf. A General History of Trade, Sept. 1713, p. 35.

47. J. Houghton, A Collection of Letters ... Vol. I, (1681), No. 9, p. 93.

however, Joshua Gee argued, that the French bought Irish wool "near 20 per Cent cheaper" because of a duty of 19 $\frac{1}{4}$ d. per stone on wool sent to England. (48) Although Defoe condemned all clandestine trade, even when this was smuggling British goods into countries from which they were officially excluded, (49) he seems to have assumed that the difficulties and expense of owling would always prevent the amounts, which the Dutch or French obtained, from being a really significant factor in foreign competition with the English industry. So Certainly here did not call for such severe penalties against English smugglers as some of the other writers on trade. Thus the author of the most engagingly-entitled pamphlet of the many hundreds which appeared during Defoe's lifetime, attacked "these Thievish Owers" in this outburst: "This Vilain is the greatest Criminal in the world; he impoverishes thousands of poor, he betrays the Trade of the Nation to our Enemies.... Let him die, his Estate forfeited, and his children sold for slaves." (50) On the other hand, Defoe believed that the prohibition of the export of the raw materials was so important that if the English manufacturers were unable to use all the wool that was produced and if the graziers were finding their rents a heavy burden, "we should be obliged to destroy it "for want of a Vent ... we had better cause the Overplus to be Consumed than suffer it to be Exported." (51) In 1695, Cary had suggested that it would be "better to burn

the Overplus" as the Dutch did their spices, if too much wool

48. J. Gee, The Trade and Navigation of Great Britain Considered, (1729) pp. 14-15.
49. Infra, pp. 593-594.
50. Joseph Coles, England to be Wall'd with Gold, and to have Silver as Plentiful as Stones in the Street, (1700) pp. 4-5.
51. Mercator, No. 35, Aug. 13, 1713.

were imported into Britain. (52) Defoe's opinions on the extent of wool-smuggling certainly varied. In 1713 he wrote that smuggling had been carried on from Romney Marsh throughout the recent war "with a Correspondence, like that of a Neutrality, as if the Inhabitants of Normandy and Kent were two Neutral Nations," that it had been more difficult to stop the export of wool from Scotland since the Union of 1707, while Irish wool was exported to France "as if it was the allowed Traffick of the Place" with whole ships freighted with it so that they were conspicuously "light in their Loading" and sailors remarked "There goes an Irish Oowler." (53) In his 'Tour', published a decade after the proposed Anglo-French commercial treaty, he described how he saw several dragoons riding on the shore of Romney Marsh in search of owlers but that he learned "that often times these are attacked in the night, with such numbers, that they dare not resist ... and at other times are oblig'd, as it were, to stand still, and see the wool carry'd off before their faces." He added, however, that "so many of these desperate fellows are of late taken up, by the courage and vigilance of the soldiers, that the knots are very much broken, and the owling-trade much abated ... the French also finding means to be supply'd from Ireland with much less hazard, and at very little more expence." (54) Yet, four years later, he wrote "it has not been in the power of the whole English

52. J. Cary, op. cit. pp. 135-136. Cf. A Treatise of Wool and Cattel p. 21 and A Sussex Farmer, The Advantages and Disadvantages ... p. 29.

53. A General History of Trade, September 1713, pp. 37-39.

54. A Tour through the Whole Island of Great Britain (1724, Everyman edn. 1962), I, p. 123.

Nation, either by Power or by Policy, to prevent ... (the loss of English wool from Romney Marsh) and the French Sloops which fetch it off, are often mann'd with such Numbers, and so well arm'd and provided that they are not to be resisted but by a Force fitted out on purpose." (55) His comments on wool smuggling seem to have depended on whether he was explaining how the French came to have any cloth worth exporting at all or on whether he was arguing that nevertheless they did not get enough British wool by the owling trade to make them a serious danger to English cloth exports. As Dr. Bowden suggests, the lack of success was most probably because the amount of smuggling was very much smaller than contemporary opinion estimated. Because they believed that their foreign competitors could not make satisfactory cloth without one pack of British wool to two packs of their own coarse material (56) they could only account for the appearance of saleable French or Dutch cloth in foreign markets by the explanation that these fabrics must have been made from an admixture of British wool. (57)

Defoe placed his main emphasis on the superior quality of British wool because this was a guarantee that no foreign nation could break into our chief industry, provided that we kept our wool at home, but at the same time he asserted that English workmen were more skilled than their foreign rivals. In part, this was based on his conviction that an Englishman always worked harder, or at least more effectively, than any foreign workman. (58)

55. Atlas Maritimus et Commercialis, pp. 52, 145.

56. England's Interest Asserted ... p. 4; J. Cary, op. cit. pp. 38-39; J. Haynes, Great Britain's Glory ... (1715), p. 7.

57. P.J. Bowden, op. cit. pp. 195-197.

58. Infra, pp. 670-671.

"That they may work a Day for less Money than an Englishman," he insisted, "may be true; that they may live on an Onion, and a draught of Water, a bunch of Grapes, and a piece of Bread, while the English Workman has his Beef and his Pudding; this may be true: But let these Slanderers of their Country know, there is a great Difference between Working a Day and doing a Days Work; ... no Nation in the World will do SO MUCH WORK in a Day as the English, or do the Work so well; and the MERCATOR ... appeals for the Truth of it to the very Foreigners themselves who live amongst us; ... Let the Work be of what kind soever, whether it requires Speed, or Slight, or Strength, it shall hold good in them all, Cunning and Knavery excepted; ..." (59)

But England had an even more important advantage over her competitors. When hand-made cloth was the most advanced industry, it was natural to suppose that the work demanded great skill and Defoe repeatedly praised the technical ability of England's woollen workers, particularly the dexterity of her women spinners. He thought that the judgement of the master clothier and the skills of preliminary operations such as carding and combing might be carried abroad by renegade English clothworkers, but that spinning was the key process, "the Inimitable part of our Manufacture." Not only were the French unable to learn this, but it was even a speciality of the different clothmaking districts: "The Spinning, generally speaking, is the Work of the Women and Children, it is Learn'd from Mother to Daughter, as Birds Learn to Sing, Cocks to Crow, his and little Children to Speak, (viz) by Immediate

59. Mercator, No. 67, Oct. 27, 1713.

... (1713) ... his ... and ... for the ...

Imitation? The manner is carried from one to another by that aptness which is in the young of every Creature to follow the old, and becomes a Natural Habit, like a Tone in the Speech, which is peculiar to this or that Country ... Nay, even in the same Countries the Spinning differs, as the several Manufactures which this or that part of the Country are Employ'd in differs. ... whence proceeds the variety of our sorts of Goods, which appear not at all According to the Nature of the Wooll, but according to the different Places where it is Wrought; the Reason of which is the Spinning, and nothing else.

.....

Nay, take the Spinning of one Town, and carry it to another Town where the same Kind of Goods are made, and it shall Work into that same sort of the Kind which were made in the Town from whence it came. How comes it to pass, That no Place in England can make the Bays but Colchester? the Says but Sudbury? the Serges but Devonshire? the Kerseys but Hallifax? the Fine Whites but Gloucester and Worcestershire? the Tamies but Coventry? the Cantaloons but at Bristol? Nay ... How come the several Species to differ from one another? Why cannot the Men of Bocking make as good Bays as at Colchester? Why are the Shalodns in Northamptonshire better than those in the West? Why the Devon Kersies better than the Yorkshire? ... It is manifest that it is all in the Spinning? whatever the Difference is it is hard to determine, but that such a Difference is I affirm ... And this Difference runs thro' the whole Operation of the Manufacture that follows it, ... as is the Yarn such is the Stuff." (60)

He proceeded to argue that a Shropshire woman bred to spin for flannel would be unable to spin for bays in Essex or for says in Sudbury, "she can no more alter her Hand effectually, than she can shake off her Shropshire Dialect from her Tongue." He claimed that manufacturers were always trying to entice one another's spinners away and asked, "How comes this or that Clothiers Goods to be known at Blackwell Hall, and to be enquired for by his Name, ... and to Sell better than his Neighbours, ... but that

60. Some Thoughts upon the Subject of Commerce with France (1713) pp. 38-41. The speed at which Defoe must have written his pamphlets and journals was probably responsible for the contradiction in the text about the manufacture of kersies

he has better Spinners than his Neighbours?" He finally clinched his argument by demanding, "How shall a Foreign Nation adapt their Spinning to our Manufacture? A Nation that have a great scarcity of Wooll, and must mix several Kinds, and the Wooll of several Nations together, that have a scarcity of all other Materials, and above all must take such Wild and Untaught Spinners as they can get? Even if they obtained spinners from England, the best English spinner would only be able to instruct young children "or some that had never touch'd a Wheel." He further contended that the water was important for the finishing processes, Stroud water in Gloucestershire being the best in England, and therefore the clothiers often took their cloths many miles to particular fulling mills although there were others nearer. As for the claim that the French could work more cheaply by 4d. in a shilling, he protested that the clothier would then be able to sell the finished cloth 8d. in the shilling cheaper, "for the Difference in the first Work would double in the Price of the whole Cloth" and if this had been the case, the French "must of Necessity have long ago had all the Trade of the World."

(61) "The general way of Workmanship of the French Nation," he pronounced, "is known to be slighter and looser in all their Manufactures than the Manufactures of the like kind made here, and that our Workmen performs almost all kinds of Work finer and more substantial, not only than the French, but also than any other People. So that our Cloths, and even all our Woollen

61. Ibid, pp. 42-44. W.G. Hoskins, Industry, Trade and People in Exeter, 1688-1800 (Manchester 1935) p. 55 states "Spinning required very little skill and was therefore a badly-paid occupation."

Manufactures, will Sell for a better Price, than Manufactures of the same Denomination from other Countries." (62) It was for these reasons that he reaffirmed, "That take the Goodness of their Goods with the Price, the English Manufactures are the Cheapest in the World." (63) He offered to pay £10 a yard for a piece of French cloth, made entirely of French wool, which should prove "as good in Weight and Fineness, and as Cheap as a piece of the same kind of Cloth from Blackwel hall, all made of English Wool." (64)

Defoe claimed that the superior quality of English cloth was obvious from the clothes worn by the French gentlemen who came to England, alleging that not one, even a duke or an ambassador ever came "with a good Coat on his Back." (65) As an Englishman going to Flanders or Holland took as little linen as possible with him because he would buy all that he required there and make himself two or three dozen shirts, trimmed with fine bone lace, on his return, so the Frenchmen who came to England brought no more clothes with them than those they were wearing and always took several suits of clothes home with them. (66) Conversely English gentlemen going to France always equipped themselves with new clothes for the visit and if they had to make a long stay, sent home for more, "even the very Liveries of their Servants." (67) For further proof, he cited

62. Mercator, No. 7, June 9, 1713.

63. Ibid, No. 105, Jan. 23, 1713 (1714)

64. Ibid, No. 136, April 6, 1714.

65. Ibid, No. 138, April 10, 1714. Cf. Some Thoughts upon the Subject of Commerce with France, pp. 35-36.

66. A Plan of the English Commerce, pp. 131-132.

67. Mercator, No. 145, April 27, 1714.

the clothes worn by the French ambassador and his retinue when they came to London at the conclusion of the Treaty of Utrecht, declaring that "an English Footman would have thought himself ill used to have been Clothed as the Ambassador's Gentlemen were." He continued with this contemptuous criticism of various types of French cloth:

"Let the Habit of the Gentlemen and Merchants who come over from France hither be examin'd, and except they appear in light fine Silk-Druggets, and thin Stuffs, you scarce find one in ten of them dress'd in Cloths fit to appear in England among Gentlemen; nay, their Footmen go back with better Cloths on their Backs than their Masters had when they came hither ... in the best of their boasted Improvements, their Woollen-Cloths are thin and ill-wrought, rough and ill dress'd, and coarse like Dog's Hair, being made of ill Wooll, and of several sorts put together; and they wear rather like an Irish Frize than a Cloth. Nay, even their Spanish Cloths, although they have the Spanish Wooll as well as we, and ... much Cheaper, yet what aileth it is hard to know; let a Piece of it be worn with an English piece of Cloth, and in a little wearing it shall show the Difference; in short, the French Cloth can be in nothing so well represented, as by a piece of English Cloth with the wrong side outward.

.....

An English Clothier would be ashamed to have such Work come out of his Hands as they call Cloth. Whether it be their Water, their Wooll, or their Workmanship, is not the Case; this is certain, it is something that they are not able to alter. ... to see how thin, what a Thread, what a Nap, what Weight the French Broad-Cloths would appear with ... (if a piece of French cloth came to Blackwell Hall) The Mercator has Patterns by him brought from France, on purpose, of their finest Cloths ... the Fine are thin like a Serge, loose like a Drugget, and light as a Stuff; the Middling are thick and spongy, and must wear rough as a Frize, and the coarse are more like a Kersie than a Cloth.

If in any of their Cloths a Piece is found tolerably well made, fine and weighty, ... then they are lost in Price, and can talk of nothing under 24 to 26s. per Yard, and we shall, at any time, buy as good Goods every way at Blackwell-Hall from 16 to 17s. per Yard.

... We find indeed some Druggetts and Mens Stuffs among them, which are pretty well, but generally mix'd

with Silk and Spanish Wooll; but ... not all France can produce a Piece that is fit to be called a Bays, ... the thing they call Bays now in France, is as like our Wadmoll as a Bays ... As to Frizes, Planes, Half-thicks, Kersies, Dozens, Double and Single Pennistones, Cottons, Flannels, and the like, where are the French Goods of these kinds, though some of them the meanest of our Manufactures? Not all the French Nation can produce One piece of what we call a Swanskin Flannel, or a fine Welch Flannel; ... our fine Blankets; not France, no, not the whole World can make them as we do, so thick and yet so light, so soft and so warm and yet so fine; and the French buy them here now, in spite of the high Duties, in very great Numbers." (68)

These strictures on French woollen goods were written as propaganda to show that English cloth would command a wide sale in France, even subject to the 1699 tariffs, once the proposed Anglo-French commercial treaty of 1713 was ratified. (69) Yet similar passages are to be found in 'A Plan of the English Commerce' and in the long preface which he wrote for the 'Atlas Maritimus et Commercialis', both published in 1728. Here he compared English and French woollens in the Turkish trade, which, he said, represented "the Top of their Performance." (70) In the first passage, he referred again to the patterns which had been produced in 1713 of the cloth made in the Languedoc area which he regarded as one of the two districts where "the Gross of their Woollen Manufacturing" was carried on. (71) "The Patterns," he admitted, "were extraordinary, the Cloth well dress'd, the Colours well dy'd; nay to Perfection; and to a superficial Eye, they rather went beyond the English, than come

68. Mercator, No. 140, April 15, 1714.

69. Infra, p. 695.

70. A Plan of the English Commerce, p. 132.

71. Ibid, p. 31; Mercator, No. 133, March 30, 1714.

short of them." When they were examined, however, by English clothiers, they were soon found to be "slight, thin, without Substance and Proportion, and ... no Way equal in Goodness to the English Manufacture of the same Kind." This was proved when they were weighed by the Armenian merchants at Aleppo and Smyrna, where "the English always out-weigh'd them forty to fifty Pounds per Bale" so that the merchants "would very seldom buy the French Cloths, so long as there were any of the English Cloths left at the Market" and then always at a much cheaper rate. (72) He believed that the goods which the French sent to Turkey were indeed, their best cloths and in this extract he again found them deficient in "substance."

"... the French Cloths carry as good a Face as the English, are as well drest, as well pack'd and set off, and the Colours are as fine; so that it is not hard to deceive the unexperienc'd Buyer: And this is not the only Example of the superficial Performances of that Nation, who are very rarely wanting in Outsides, whatever they are within; but the Substance is wanting, the real intrinsick Worth of the Goods is found in the English Cloths, and in them only; there is all the Beauty of Colour, and the Ornament of Dress, and the Substance too; and this, whether the first Buyer can discover it or no, the last Buyer and Consumer, the Turkish or Persian Gentleman, Aga or Bassa that wears it, finds it out presently; one will wear firm and smooth, and solid to the last; the other wears rough, light, spungy, and into Rags; and when this Man buys again, he calls for English Cloth, ...

... the French Cloth, with all its superficial French Gloss upon it, is fine, but thin and spungy, and will do the Wearer neither Credit or Service, while the English Cloth wears to the last like a Board, firm and strong, and has a kind of Beauty even in its Rags." (73)

Describing the Yorkshire manufactures in 1728, he mentioned that Halifax kerseys were generally used for the uniforms of "the

72. A Plan of the English Commerce, p. 31. Cf. The Complete English Tradesman, II, p. 161.

73. Ibid., pp. 133-4; Compare Atlas Maritimus ... p. 146.

Dutch and Flemish Armys, the Troops of Hannover, and of all the Princes of Lunenburgh, and most of the Armies of the Lower Germany," although "the diligent Dutch" had vainly attempted to clothe their men with their own manufactures. The French, however, "by the help of British Wool" had supplied their troops with uniforms of French cloth so that the poor French soldiers grew "shabby and ragged ... before the Soldiers clothed with the English Cloth have half worn out their Clothes." (74)

During his campaign for the commercial treaty with France, he tried to divert attention from the French to the Dutch, alleging that the Dutch woollen industry was much more competitive with English manufactures than the French. (75) He complained that "not a word must be said of the Dutch getting our Wooll as fast out of Lincolnshire as the French get it out of Kent" and took exception to the Dutch clothing their troops from their own industry instead of with Yorkshire kerseys. He told his readers, "We forget that the Dutch are come to that perfection in the Clothing Trade, that, if it were not strictly Prohibited, all the fine Black Cloth we wear in England would be brought from thence, as well for the fineness of the Cloth, as for the Dye, in which we cannot match them? ... And all the while that we are wheedled by the Dutch to shut the Door against the French Trade, ... the Dutch carry in great Quantities of Woollen Goods of their own making thither, and to Turkey also." (76) In 1670, Roger Coke had noted that we had come to wear much of the Dutch fine black cloth, but their supremacy in dyeing was passing before

74. Atlas Maritimus ... p. 109.

75. Mercator, No. 35, Aug. 13, 1713.

76. Ibid, No. 130, March 23, 1713 (1714).

the end of the seventeenth century. (77) That the above passage was mainly propaganda is shown by Defoe's later comment in the 'Atlas' where he stated that the Dutch manufactures were "not many, and those not considerable, ... nothing like the Woollen of England, the Silk of France, or the Linen of Germany. But something however they do in all these." He added, "when they tell us that the Leyden Clothing has produc'd 100000 Cloths in a Year, I must take leave to say it has not been proved, no not to the tenth Part of it." (78) Yet he considered that both the Dutch and the French were improving nations who would have been dangerous rivals to England's supremacy in the woollen trade but for their fatal shortage of wool. The Dutch and Flemings were "allow'd to be the most industrious People in the World" and no man could "charge the French with any want of Industry." (79) Except that they had allowed the Dutch and the English to gain a start of a hundred years, the French might have been "the most improv'd Nation in the World" but for two great obstacles which made it "next to impossible to produce any considerable Manufacture" until they could be overcome, their lack of raw silk and wool. The planting of mulberry trees in the south of France had gone a long way to remove her dependence on Italy and Turkey for silk, but the wool remained an insuperable difficulty so long as Britain kept her wool at home. (80)

77. R. Coke, A Discourse of Trade, In two Parts, II, p. 112.
 78. Atlas Maritimus ... , p. 115.
 79. Review, Vol. IX, (No. 88), p. 176; (No. 90), p. 179
 80. Atlas Maritimus ... pp. 143-144.

Because Defoe, was so obsessed with the superior quality of British wool, he obviously underestimated the progress made by continental manufacturers in the cloth industry, particularly the Dutch and the French. European clothiers were able to use their coarse wools for lower-grade cloth without the addition of English or Irish wool and the Dutch and the French could readily buy Spanish wool for their finer cloths. (81) In the second half of the seventeenth century, four-fifths of the Dutch imports of wool came from Spain and in 1700 French imports of Spanish wools were worth 9 million or 10 million livres a year. (82) Spanish wool, however, commanded the highest prices in Europe and by the eighteenth century the supply was probably smaller. (83) The importance of the Spanish wool to the fine woollens of the Dutch had been recognized by the author of the first proposal to pre-empt the Spanish supply in 1651, (84) and the Dutch retained their competitive position in woollen cloths, the most valuable of all the Leiden industries, until the early eighteenth century. Both the Dutch and the French imports were liable to be seriously interrupted by war and both suffered during the War of the Spanish Succession. "...The 129,000 cloths a year (both woollen and worsted), which Leiden had produced in 1661-71 had only recovered to 72,500 a year, in 1717-26, so that Defoe was correct in his reference to the Leiden industry,

81. P.J. Bowden, *op. cit.*, p. 213.
 82. C. Wilson, "Cloth Production and International Competition.."
Econ. Hist. Rev. 2nd Series, XIII (1960).
 J.M. Price, *The New Cambridge Modern History*, Vol. VI. Ed.
 J.S. Bromley, (1970) pp. 863-865.
 83. F.P. Braudel and F.P. Spooner, ch. VII and J.H. Parry, ch. III
The Cambridge Economic History of Europe, Vol. IV, ed.
 E.E. Rich and C. Wilson (1967) pp. 420, 160.
 84. Considerations of the Advantages to the Commonwealth of
 England, by getting all the Spanish Cloth Wools into English
 Hands ... (1651) in J. Thurloe, "A Collection of State
 Papers" (1742), Vol. I, 200.

although, as usual, he exaggerated the decline. (85) By the end of the seventeenth century, the Dutch, who had threatened to dominate the Turkey trade, had been ousted by the English merchants of the Levant Company, who, moreover, exported the fine woollen broadcloths. After 1700, however, and particularly after 1713, French cloth proved so much more competitive than Defoe had thought possible that before mid-century it was sold in larger quantities than English in the Levant. Yet, even in 1721, only seven years before Defoe published 'A Plan of the English Commerce', English cloth still enjoyed the best reputation and sold the dearest. (86) The main English advantage, however, was in the continued development of her new draperies, the fine worsted cloths made from her extensive domestic stock of cheap, long-staple wool, the best supply in Europe, supplemented by imports from Scotland and even larger imports from Ireland. It was with these lighter cloths that she expanded her sales in southern Europe as her traditional markets in northern and central Europe contracted. (87) As Defoe wrote, maintaining that any French progress was in "fine Spanish Druggets" and that very few of England's Spanish cloths were sent via Spain to New Spain, "... what is this to the Colchester Bayes, Sayes, Serges, Perpets etc. The Goods which carry the whole Weight of the Spanish Trade, which have no Spanish Wooll in them, and are made of that Wooll which is particular as well for fineness, as for the length of the Staple;

85. The New Cambridge Modern History, Vol. VI, pp. 863-864.

86. A.C. Wood, A History of the Levant Company (1935), p. 141; R. Davis, Aleppo and Devonshire Square: ... (1967) passim. See infra, p. + for a fuller discussion of the Levant trade.

87. P. Mathias, The First Industrial Nation ... (1969), pp. 102-103.

and which I affirm no Country in Europe can supply but our selves? ... and if the French cannot rival us in this, they cannot hurt us at all." (88) Defoe was of course wrong in thinking that there was no Spanish wool in the mixed cloths, Devonshire serges and perpetuanas, and English cloth did meet increasing French competition in these markets of southern Europe, but his general argument was valid.

In the preface to his 'Plan of the English Commerce', he noted how each man "knows his own affairs ... pursues the Mechanism of his own particular Business" but "knows nothing of the Reason or the End of what he is about." Thus the clothier knew nothing of the business of the factor and the merchant was ignorant of the processes of manufacture and that this was the reason why he had written his account of England's trade. (89) In marked contrast, Defoe had a close, first-hand knowledge of the English woollen industry from the sources of supply to the marketing of the finished cloth both at home and abroad. His descriptions of the wool-growing areas and of the chief centres of manufacture have been so often quoted, however, that it is only necessary to refer to their main features in this study of his economic ideas.

In his introduction to the Everyman edition of the 'Tour', G.D.H. Cole observed how extraordinarily well-fitted Defoe was,

88. Review, Vol. IX, (No. 90), p. 180.

89. A Plan of the English Commerce, Preface, pp. vii-viii.

by temperament, and way of life, to describe the economic life of his day so that although it was written as a popular guide-book, it remains "by far the most graphic contemporary account" of English economic and social affairs in the early eighteenth century. (90) On a close examination, however, it is soon apparent that apart from a few brief references to coal-mining in Durham and Northumberland, Lancashire and the West Riding, the coal trade of South Wales and Whitehaven, tin mining in Cornwall, the manufacture of glass and salt at Newcastle, salt in Cheshire and one tantalisingly-short paragraph on the iron industry of the Weald, all the references to manufactures are to the woollen industry and a good number of the descriptions of farming refer to sheep-rearing. Some of the above references to other industries are no more than a single sentence and there are some surprising omissions. Although he visited Coventry, he does not mention Birmingham and its iron manufactures, although it may have been the third largest town in England after London in 1700, and he does not notice the Sunderland works of Ambrose Crowley, the greatest ironmaster in Europe at that date, in spite of the fact that he frequently passed through Newcastle on his journeys to and from Scotland. (91)

90. A Tour Through the Whole Island of Great Britain (Everyman edn. 1962) intro. pp. viii-ix.
91. P. Deane, The First Industrial Revolution (1965) p. 14; P. Mathias, op. cit. p. 124. Defoe makes a brief reference to Crowley's ironworks "at Newcastle upon Tyne" on p. 218 of A Plan of the English Commerce and again on p. 219 to the report that he employed 30,000 people. On pp. 5-6 of A Brief Deduction of the Original Progress ... of the British Woollen Manufacture he noted some manufactures other than wool to emphasize that woollen cloth was made by "less than one fourth part of our People." Thus the iron manufacture of Hallamshire was said to employ at least 100,000 people (compared with 30,000 in the Tour, II, p. 183) and "the great Hard-ware Manufacture of Iron, Brass, Steel etc. at Birmingham, and the Nailers which is known to employ a prodigious Number of People, many more than at Sheffield; as also the Manufacture of Glass at Sturbridge."

To some extent, this reflects the place of the cloth industry in the economic life of the country in the first two decades of the eighteenth century, but it is more probably an indication of Defoe's main interests. G.D.H. Cole also noted that Defoe was much more interested in trade than in manufacture (92) which is probably one reason why he so greatly exaggerated the skill of the spinner. Again, the twenty-or-so references to the English woollen industry are curiously uneven. He devoted only six pages to the cloth manufactures of Essex, Suffolk and Norfolk, dismissing the says and perpetuanas of Sudbury in one sentence and only seven pages to the area which he considered the most important centre, the great West of England industry. On the other hand he gave twelve pages to the West Riding but it has been suggested that he felt most akin to the pushing small clothiers of that dynamic area which was destined to absorb nearly all the woollen cloth manufacture of the country. (93) Even this account, with its famous description of the Leeds cloth market in Briggate, was based on earlier journeys because he did not mention the Cloth Halls of Halifax, Wakefield and Leeds although these were erected in 1708, 1710 and 1711 respectively. (94) In the 'Review' of May 2, 1713, he told his readers, "When the French had so vast a quantity of Wooll from us, as 167,000 Packs in a Year ... I was then very much concern'd in that Trade." (95) This probably refers to his twelve-years experience as a hose factor and merchant before his first

92. A Tour ... intro., p. xii

93. Ibid, intro, p. xiii.

94. H. Heaton, The Yorkshire Woollen and Worsted Industries ... (1965) pp. 365-379.

95. Review, Vol. IX, (No. 90), p. 180.

bankruptcy in 1692, which may have been the beginning of his life-long interest in the woollen trade. (96) This, coupled with his journalistic flair and good eye for detail, provides us in the 'Tour' with so much valuable first-hand information about the industry, although the actual visits may have taken place some years before the supposed start of his journey on April 3, 1722. (97) This was clearly a literary device for his own preface refers to seventeen very large circuits, or journeys which he claimed to have taken "thro' divers parts separately, and three general tours over almost the whole English part of the island." (98) But his fullest account of over twenty varieties of cloth with their particular districts of manufacture is to be found neither in the 'Tour' nor in the 'Plan', but in the second volume of the "Complete English Tradesman", supplemented by his two accounts of the clothing of the poorest countryman and of "a middling Tradesman's wife" in the first volume. (99) In these two descriptions he was at pains to emphasize his belief in the great importance of a circulation of trade, (100) how in each case at least twelve woollen manufacturing districts in England contributed some part of their clothing. Together, these three works of 1724-28, 'Tour', 'Plan' and 'Complete English Tradesman' with relevant passages of the 'Review' from 1704 to 1713 and of the 'Mercator'

96. J. Sutherland, Defoe (1937) pp. 28-42.

97. A Tour ... p. 5; G.D.H. Cole, intro. p. xv, says 'economic information is the one sort of information that Defoe seldom or never invents.'

98. Ibid, p. 3.

99. The Complete English Tradesman, II, Part 2, pp. 51-62, I, pp. 330-332.

100. Infra, pp. 931, 967.

of 1713-14 provide the fullest picture from one pen of England's greatest industry before the sweeping changes produced by the Industrial Revolution.

One thing, however, Defoe does not give us and that is any attempt at accurate statistical information about the industry. Characteristically, he seems to have had a poor opinion of the new vogue for political arithmetic. In February 1706, during an attack on public mournings for their adverse effects on trade, he made an estimate, "without troubling political arithmetic", of the number of families which depended on trade. (101) In his 'Plan' he made a more specific attack on "this assuming positive Way" of precise reckoning, maintaining that estimates of the old coin before the Recoinage of 1698 had been £4 million but that the Government had found that they were nearer £12 million after they had put the work in hand. He declared "Calculations in Cases where there is no Principle to calculate from, no given Number or Rule to begin at, should never obtain too much upon us; the judging by or from such Calculations leads Men, of otherwise great Penetration, oftentimes into fatal Mistakes, ... such were the Guesses of that great Pretender to politick Arithmetick, Sir William Petty, whose Calculations of the Numbers of the Houses and Families, and Inhabitants in London, and other populous Cities, were not erroneous only, but we may say have been since prov'd absurd, and even ridiculous." (102) He preferred his vague general statements such as "a

101. Review, Vol. III, (No. 12) p. 59.

102. A Plan of the English Commerce, pp. 128-129.

Prodigy in Trade" when he obviously thought that nothing more concrete could be obtained. Thus the following statement is typical Defoe: "The Wool, as it is the first and greatest Produce, so it is the first and principal Manufacture; an Estimate of its Value, as Wool, is as difficult to be made, as of its Quantity; the Numbers of People it employs are not to be reckon'd by Thousands, but by Millions; the Places in Britain where the Work is managed and carried on, are not to be measured by Towns, and Districts of Towns, Villages, or Lordships, but by Counties, Provinces, Parts and Quarters of the Island: As it is a Product every where; so every where we see more or less of the People employ'd in it: The best Measure we can take to give you an Idea of its Magnitude, is to tell you, that it consumes not only all the Wool produced by the Sheep of this whole Island, the Cattle upon a thousand Hills, but it calls for a prodigious quantity from Abroad." He proceeded, however, to make some guesses at the number of sheep and the amount of wool available to the manufacturers. Thus he thought that an import of 100,000 packs of wool each year from Ireland was "within Compass" and stated that the quantity of Scottish wool brought to England was declared to be worth £60,000 at the passing of the Act of Union, adding that 120,000 sheep "with the Wool upon their Backs" crossed the Border into England each year, apart from "all the numberless Flocks that are left behind." (103) Dr. Bowden says that 412,000 stones (approx. 24,235 packs) were imported from Ireland in 1702 and that by

103. A Plan of the English Commerce, pp. 116-120.

1706 this figure had more than doubled (104) but this statement is not supported by Mrs Schumpeter's tables. According to these, the import of Irish wool fluctuated considerably but the highest figure in Defoe's lifetime, for wool and yarn together, was in 1725 when 4,725,560 lb. were imported, rather less than one-fifth of Defoe's estimate. (105) He did attempt an exact calculation of the output of wool from Romney Marsh, arriving at a total, from the Level Books of 47,110 acres for the area, and on the basis of 3 sheep producing fleece wool to an acre, a yearly growth of 141,330 fleeces. He said that it was usually reckoned that there were 56 fleeces in a pack of wool weighing 240 pound, so that each fleece weighed rather more than 4 pounds. (106) His area was a little larger than that used for a similar calculation in 1677 and the earlier author reckoned 75 fleeces to the pack. (107) This figure of 3 pounds per fleece is the one accepted by Dr. Bowden for 1700, and as the average weight of a fleece did not reach 3.5 pounds until the middle of the century, Defoe's estimate is almost certainly too high, although Romney Marsh was reputed to be "the best and richest kind of Sheep Ground." (108) He said that he could give "many more Estimates of particular Places after the like manner," but as all together would not amount "to an exact Calculate" he would not trouble the reader with figures. Instead he contented himself with estimates of the extent of particular sheep grounds such as the 70,000 acres of "Carpet Ground" on

104. P.J. Bowden, op. cit., pp. 61-62. Dr. Bowden's figures seem to have been calculated from the revenue received for licences to export Irish wool.

105. E.B. Schumpeter, English Overseas Trade Statistics, 1697-1800, Table XVI.

106. A Plan of the English Commerce, pp. 117-118.

107. Reasons for a Limited Exportation of Wool (1677), p. 6.

108. P.J. Bowden, op. cit., p. 38; H. Heaton, op. cit., p. 328. Four pounds was King's estimate.

the South Downs, and Salisbury Plain where the number of acres was "not to be estimated, and the Sheep not to be guessed at," or suggestions of countless numbers of sheep such as "an infinite Number" on the Cotswolds and adjoining plains, "an innumerable Number" with "white Wool, but black Faces" on Newmarket Heath and the heaths of Suffolk and Norfolk, and "the two rich feeding Counties of Lincoln and Leicester, where the largest Sheep in England are bred" but "whose Number admits of no Calculation." Of the sheep in Surrey, Wales, Herefordshire, Yorkshire, Durham, Northumberland and Cumberland he made no estimate, but at Dorchester he had been told "by very grave and creditable Persons "that there were 60,000 sheep feeding within a six-mile radius of the town in June 1673 and at Salisbury, on similar authority, that 400,000 sheep were sold "at one Time" at Wey-hill Fair and 600,000 the same year, at Burford Fair in Dorsetshire. (109) No wonder that he thought that England lacked hands to work up such an ample supply of this "singular and exclusive Gift from Heaven for the Advantage of this great and opulent Nation." (110) A contemporary estimate of English wool production, county by county, gave a total of 88,400 packs compared with his suggestion that 100,000 packs were imported from Ireland. (111) The basis of this calculation was his estimate that Ireland had 30 million sheep. Whereas he thought that a Romney marsh fleece weighed above $4\frac{1}{2}$ pound, Irish sheep were smaller and so their fleeces only weighed 3 pound each. Thus at 70 Irish fleeces to a pack, an importation of 100,000 packs only represented the wool from

109. A Plan of the English Commerce, pp. 120-121

110. A Humble Proposal to the People of England ... (1729), (1729), p. 31. Infra, p. 239.

111. B.M. Stowe MS. 354, fol. 158^b (reproduced in P.J. Bowden, op. cit. p. 40).

7 million Irish sheep. Although the Irish were prohibited from exporting woollen manufactures, he was sure that they evaded the ban and that the 2½ million Irish would use 200,000 packs to supply their own needs and clandestine exports of cloth. Reducing the number of fleeces by 2 millions to allow for the difference between fell wool and shorn fleeces, this left another 100,000 packs which he assumed must be run to France. The only way to prevent this was to increase the population of the British colonies to bring about a further demand for British woollen goods. (112)

Defoe was either similarly imprecise or guilty of exaggeration when he turned to the manufacture or the export of the finished cloth. As Professor Hoskins so aptly remarks, "eighteenth-century statistics were rarely anything but exuberant guesses, especially where the mercantile imagination was aroused." (113) Thus he reduces Defoe's statement that at Exeter market, second only to "the Brigg market at Leeds," there was "generally sold from 60 to 70 to 80, and sometimes a hundred thousand pounds value in serges in a week" to an average weekly turnover of £40,000 but adds that as "trading was heaviest in the spring and autumn and comparatively slack during the rest of the year, a turnover of 60 or 70,000 pounds a week must have been fairly frequent" at the time of Defoe's visit. (114) Defoe was naturally delighted with this "prodigy of trade" in the south-

112. An Humble Proposal ... pp. 37-43.

113. W.G. Hoskins, Industry, Trade and People in Exeter, 1688-1800, p. 43.

114. A Tour ... I, p. 222; W.G. Hoskins, op. cit. p. 43.

western counties which were then the most important cloth-making area. Besides six populous cities, he reported that there were more towns than in any other part of the country, no less than 120 market towns and 1500 parishes, "some exceeding full of people." As some of the 26 largest towns exceeded "even the great towns of Leeds, Wakefield, Sheffield etc. in the North," he had no difficulty in accepting an estimate that more than a million people were "constantly employed there in spinning and and weaving for the woollen manufacture only" when it is now thought that England and Wales had only 5.8 to 6 million people, of whom only about one in ten was in any way concerned in the woollen industry. (115) Although the Exeter serge manufacture was then the most vigorous and the largest section of the English cloth industry, Defoe gave more space in his Tour to the area bounded by Cirencester in the north, Sherburn in north Dorset in the south, Devizes in the east and Bristol in the west, where "the finest medley Spanish cloths ... in the whole world" were made. (116) Although this was England's quality export, he claimed that the home consumption was so great, that "the Value of fine Cloth worn by the English Gentlemen and Tradesmen in England and Scotland" amounted to over £1 million a year. (117)

115. The Complete English Tradesman, II, Part 2, pp. 57-58; Atlas Maritimus, pp. 109-110; P. Deane, op. cit. p. 14.
116. A Tour, I, p. 281.
117. Atlas Maritimus ... p. 109. Miss Julia de L. Mann agrees that Spanish cloth found its best market at home but shows that exports rose after 1703 to a peak of over 25,000 pieces in 1717 with a marked decline after 1720. The Cloth Industry in the West of England from 1640 to 1880 (1971) p. 30 and Appx I, pp. 308-310. The Sussex Farmer, Advantages and Disadvantages which will attend the Prohibition of the Merchandise of Spain (1740) pp. 20-21 maintained that only 1000 of a year's manufacture of 18000 Spanish cloths were exported but he was writing from the standpoint of an English grazier. Mrs Schumpeter's Table XIV, quoted in the above Appx I gives an annual average of 12,735 pieces for the decade 1731-40 and 5,654 pieces for the decade 1741-50.

He did not notice any discrepancy between the local figure of a total population for this area of 370,000 which he quoted in the 'Tour' and his previous estimate of more than a million engaged in cloth manufacture alone in the whole region. (118) The same is true of his account of 500 packs of wool a week from Lincolnshire, Leicestershire, Northamptonshire and Warwickshire sold in Cirencester market, which is no more reliable than his figure of 25,000 packs of yarn, plus 30,000 packs of wool, brought into the south-western area each year from Ireland. (119) On the other hand, his statement that the Spanish cloth area had "sometimes, large quantities of Irish wooll, by the way of Bristol, or of Mynhead" but that this was "uncertain, and only on extraordinary occasions" may not be inaccurate, since the Devonshire industry absorbed between 52 per cent and 67 per cent of the imports of Irish wool in the first decade of the century. (120) He ended his account of the Wiltshire manufacture with the characteristic statement, "I omit the Spanish wooll, as being an article by itself." (121)

It is thought that Davenant's and Gregory King's estimates of £2 million a year for exports from a total of £5 million (King) and £8 million (Davenant) of woollen manufactures are too low and that about £3 million worth was exported in 1700, but Defoe's figure is between £4 million and £5 million (122)

118. A Tour, p. 281

119. The Complete English Tradesman, II, p.

120. A Tour, pp. 282-3; W.G. Hoskins, op. cit., pp. 30-31.

121. A Tour, p. 283.

122. Mercator, No. 122, March 4, 1713. R. Davis, English Foreign Trade, 1700-1774, Econ. Hist. Review, 2nd Series, VI, No. 2.

Yet Defoe was writing in 1713 and Mrs Schumpeter's tables for the three previous years give £4,270,557, £3,663,374 and £4,181,258 respectively. (123) Again, although he accepted the statement made in Parliament that the Dutch took off from us "at least Two Millions in our Woollen Manufactures only, and half as much in the two capital Articles of Plantation Goods, Metals and Minerals" in the year 1706, this was generally accepted at the time, notably by the writers of the "British Merchant", his opponents in the dispute about the commercial treaty with France, and by William Wood. (124) Holland was then the best market for English woollens, taking practically one-quarter of the total woollen exports in 1700 but the value was considerably less than £2 million. (125) When Defoe was not engaged in calculations, or rather surmises about numbers or quantities, his statements about particular features of an industry or trade usually seem to be reasonably trustworthy. It must also be remembered that even his figures of employment may not be disproportionately inaccurate. He thought that the total population of England was ten millions and his estimates were based on impressions of particular centres where the woollen industry undoubtedly dominated the locality. (126) Thus Professor Hoskins says that four out of five people in Exeter were employed in the woollen industry in 1700 and Mr. Brown has noted that in Colchester twice as many people were apprenticed to textile trades as to all other occupations.

123. E.B. Schumpeter, *op. cit.*, Table XII.

124. A Plan of the English Commerce, pp. 107-8; Atlas Maritimus, p. 120; British Merchant, No. 84; May 25, 1714; W. Wood, A Survey of Trade (Part II), pp. 88-89.

125. W.G. Hoskins, *op. cit.*, p. 70.

126. Review, Vol. VI, (No. 36), p. 141.

together. He adds that the woollen trade contributed something to the income of perhaps a majority of Essex families. (127)

At a time when there was so little industry, it is not surprising that Defoe should have believed that it was the indispensable basis of the country's prosperity. Wool was "the greatest and best of our trading Produce, the Soul and Life of our whole Commerce, and the Fund of all our Prosperity and Success in that Commerce." (128)

Because the woollen manufacture was so much more important than even other textiles, in the last resort he was willing to sacrifice these to wool. In the dispute about the importation and wearing of Indian calicoes, he declared, "it is the common Interest of the whole Kingdom to discourage every other Manufacture, so far as those Manufactures are ruinous to, and inconsistent with the Prosperity of our Own." (129) Wool was always to Defoe our own manufacture. He claimed that it was "the Practice not of one Nation only, but of all wise Nations; not to let any Branch of their Commerce interfere with another." He continued, "in all such Cases, the smaller Manufactures are to give way to the great; the new invented ones are to yield to the ancient Standard, and always those Manufactures are to be preferr'd, which employ most People, or consume the most of the National Produce." (130) This was not simply a reflection of the conservative side of Defoe's character, but was bound up with his fundamental conception of trade, as is clear from the

127. W.G. Hoskins, *op. cit.*, p. 30; A.F.J. Brown, Essex at Work 1700-1815, (Chelmsford 1969) p. 1.

128. A Plan of the English Commerce, p. 115.

129. A Brief State of the Question (1719), p. 29.

130. The Just Complaint of the Poor Weavers Truly Represented (1719), p. 19.

following passage:

"It is an undoubted Rule of Trade, That the Employment of our own Poor, and Consumption of our own Growth, is the first Principle of Commerce, and should be the last of all our National Improvement. (131)
 ... this Concern for the General Interest of that Trade centers upon our Woollen Manufacture: There is a just Concern due to every Branch of Trade, but to that most which, most contributes to ... the two great Ends of Trade above-mentioned; ... This the Woollen Manufacture is so far superior in to all other Branches of our Commerce, as admits of no Comparison; and therefore the principal Concern of the Nation is and ought to be the Woollen Manufacture ... this Concern ... though it be with a Preference to all our other Goods, yet may not be in Opposition to them; ... as a Man having many Children, may shew a peculiar Affection to his eldest without injuring the rest ... The Silk Trade is useful and advantageous, but Silk is a modern Manufacture, and is useful and advantageous, as it is a Return for and encourages the Exportation of the Woollen Manufacture, and no otherwise: The Woollen Manufacture is the eldest Child of the Nations Commerce: The Silk Trade is a foster Child taken into the Family, made useful and meriting to be encouraged, but always with a subserviency to the Good of the Heir.

It is a Saying as old as the Trade it self, ... that he that wears a Velvet Coat is a better Commonwealth Man than he that wears a Coat of broad Cloth; the Reason is clear, because that Velvet being perhaps of five times the Value, is the Return of more Broad Cloth than the Man could wear: If the Silk, whether wrought or unwrought, be the Return of our Woollen Manufactures, as from Turkey the raw Silk is, and the wrought Silks from France may and will be; then a Lady whose Gown and Petticoat is of the richest Damask, though Foreign, may be said to wear Woollen Manufactures; nay, the richer her Silks the better, and if a Gown and Petticoat costs her 20 or 30 l. she carries two or three Pieces of Broad Cloth upon her Back, or a proportioned Number of Perpetuana's, ... For these Reasons the encouraging the Exportation of our Woollen Manufactures into Foreign parts, is a much greater Service to the Nation, than the encouraging the wearing it at Home, the Consumption being greater in Proportion." (132)

131. Supra, p.32.

132. Mercator, No. 8, June 11, 1713.

While wool remained paramount, silk was thus an important auxiliary. Not only was the raw material the return of our woollens, but Defoe also conceded that expensive silk goods could be equally acceptable imports provided they represented an equivalent value of cloth exports. In reversing Davenant's contention that it was more profitable for England to export her woollen cloth and to import cheaper textiles for home wear, he was also hoping to promote the maximum sale of woollen manufactures. Moreover, this argument was deployed in his defence of the 1713 trade treaty and a decade after its demise he was justifying the English silk industry because we had previously bought "all our wrought Silks, a few Ribbands excepted, from Abroad, to the Value of near two Millions a Year." As an improving nation, we might further follow the example of France, Italy and Spain by producing the raw material "at Home too, or at least in our Colonies." (133) Silk, however, does not appear in his works of colonial propaganda as one of the commodities which his projected settlements would produce, but even without this consummation, Defoe welcomed the expansion of the broad silk manufactures as a noteworthy example of improvement.

"... I cannot pass it over; it is an Encrease of this very Age. It is a Surprise to the World, as well in its Quantity as in its Value, and in the admirable Perfection which our People are arriv'd to in it, and the little Time they have had to raise it to the Degree which it is arriv'd to (yet) our Ladies go as gay, and our Houses are furnish'd as rich as ever, and perhaps more so, and in the same Kinds and sorts of Silks, Lustrings, Mantuas, Velvets, Padua Says, Garden Sattins, the best and richest Brocades, ... But ... whereas we bought them before, we now make them at Home; we set the French Men of Tour, of Lyons, Avignon, and the Countries about them at Work before, and the Italians of Milan, Mantua, Genoa, Florence and Naples, and paid them all at a vast Expence of

English Money, ... even a Million 200000 l. Sterling a Year; whereas now our own Poor gain all that Money; our own Merchants import the Materials, our own Manufactures purchases the Silk, the Drugs and Dye Stuffs; and the whole Manufacture of broad Silk is an Encrease upon our Commerce." (134)

It was even more gratifying to claim that we now so much outdid the French themselves that we now sold broad Silks "even into France itself." This was turning "the Scale of Trade," sending our goods "to be sold in those very Countries from whence we deriv'd the Knowledge and Art of making them" as we have improved on the invention of the Flemings in the woollen industry. (135) A few years previously, William Wood had similarly given his blessing to the silk industry. While wool remained "the great BASIS of our Foreign Trade, and the first Spring of our Dealings Abroad", it had also provided the foundation for the establishment of what seemed to him almost a sister manufacture. "A Trade for Silk in Exchange for our Woollen Manufactures", he concluded, "is now so happily settled that one promotes the Export and Vent of the other; and there seems now such a Dependence the one upon the other, that the one cannot subsist without the other." (136) Two years before Defoe's death, Joshua Gee pronounced that there could not be a more profitable manufacture than silk. (137)

There was one objection which Defoe felt might be made against the silk trade, that being chiefly carried on in London, it "might be said to employ some of the People formerly employ'd

134. *Ibid*, pp. 220-221.

135. *Ibid*, pp. 225-226.

136. W. Wood, *op. cit.*, pp. 248-249.

137. J. Gee, The Trade and Navigation of Great Britain Considered p. 92.

in the Woollen Manufacture in the same Place." This, however, had followed an "abatement" of the woollen industry in Spital-fields, where the people had "imprudently" expanded the trade "upon the foolish Expectations of a great Encrease of the Woollen Trade, by the Prohibitions of East India Goods; so that even in this Part the Silk Trade has very little, if at all encroach'd upon the Woollen, tho', if it had, the Exchange had very little alter'd the Case." (138) In general, therefore, he was only ready to consider the establishment of other textile manufactures in areas where no woollen goods were made or, as in the case of linen, in Scotland and Ireland which would employ their poor and prevent them from trying to emulate the English in the woollen manufacture. (139) This was particularly the case with the manufacture of bone lace. Although he believed that this was an old industry, there had been a great expansion during the previous twenty to thirty years with the result that the manufacture, which had been localized around Buckingham, Stony Stratford and Newport Pagnell, had spread "almost entirely over the Counties of Buckingham, Bedford and Oxford, and far into the Counties of Berks, Northampton, Cambridge, Hertford and Surrey." It had also become established in Dorset and Wiltshire, particularly at Blandford where they made lace "of an exceeding high Price, and not outdone, Brussels Lace excepted, by any out of Flanders, France, or even Venice it self." As a result, about one hundred were employed where one had been thirty years before, "and these of the most idle, useless and burthensome

138. A Plan of the English Commerce, p. 223.

139. Infra, p. 896 Review, Vol. II, (No. 7) pp. 26-27.

Part of our Hands ... viz. the younger Women, and female Children." Whereas there had been "no such thing as Woollen Manufactures" in these districts, more than 100,000 women and children were now employed in lace-making, a change which he considered "the essential Part of all Improvement in Trade." Similarly, linen-printing had developed, with consequent benefit to the new linen manufactures in Scotland and Ireland, after the Acts prohibiting the use and wearing of Indian calicoes. (140)

One reason why Defoe was prepared to accept the manufacture of other textiles in the 1720's was the difficulties which English cloth exports were meeting in their traditional European markets. Towards the end of the 'Complete English Tradesman' he seems to have been particularly and untypically despondent about future prospects. With the increasing appetite for luxury so that the vices of the English people seemed to have reached a height, he decided that England's trade had also reached "its meridian" and had begun to decline. "Our manufactures decline", he confessed, "which is to our trade as bread is to the body, the staff of their life; the nations round us begin to taste the sweetness of it, to see how we are enriched by it, and they imitate us, and set their inventions upon the rack to supply their demands by their own labour, and so keep their money at home." France, Holland, Russia, Brandenburgh-Prussia, Sweden, Denmark, Saxony, Switzerland, Austria, Bohemia and Piedmont had all set up their own manufactures and France

and Sweden were even able "to export large quantities ... and already supplant us at the best markets abroad." (141) The enthusiasm which the English people had shown for the imported Indian fabrics may also have had its effect on Defoe and have made him readier to consider other alternatives to woollen cloth. With his Puritan distaste for luxury, he may have found silk less acceptable than wool because it was associated in his mind with display and extravagance in dress. Yet, as a former tradesman, he could not condemn luxury completely because of the adverse effects which would follow for trade and employment. Therefore, he warned his countrymen, "we are not obliged to run into extremes and extravagances in dress, to promote the silk manufactures; ... The silk manufacture, as it is now improved and made our own, is a very great help, as well to the home trade as the foreign, and especially is a timely relief to us, in the present evident decay of our woollen, which I call our national manufacture; ... we may be as proud and as vain, and as gay, as luxurious, and as vicious in our woollen manufactures as in our silk; ... The silk is ordinarily the wear and dress of the ladies, and I am not willing to be so unjust as to lay all the pride at their doors; ... but ... a reformation might affect trade in many particular things, but need not overthrow and destroy it in general. The silk manufacture might be very considerable in England, although the ladies should be a little more modestly dressed." (142)

141. The Complete English Tradesman, Vol. II, Part 2, pp. 169-170.

142. Ibid., pp. 172-173.

Occasional voices had been raised earlier in favour of a diversification of English manufactures, so dangerously dependent on wool. Carew Reynel had advocated the development of linen, silk and tapestry so that we should not be "glutted and over-stockt with any one Manufacture, as we are with Cloath". He had considered that linen had a "greater vend than Woolen, as being used on more occasions, and in both cold and hot Countries" and was never "dull". (143) John Houghton had suggested the manufacture of coarse linen from foreign yarn imported duty free while the duty on imported coarse linen was doubled. (144) John Cary was just as enthusiastic for the woollen trade as Defoe and would have liked to see the Act for burying in woollen extended to the colonies. Yet he had also remarked, "if a Manufacture of Wool will not please, why may not one of Cotton, the Primum of which Callicoes are made, whereof we have great quantities imported every Year from our own Plantations in America. (145) Defoe had curiously little to say about the textile manufactures of South Lancashire. He reported that Warrington had a weekly market for "a sort of table linen called huk-a-back or huk-a-bak" of which £500 worth was regularly sold and that Manchester was "the greatest mere village" in England with a reputed population of over 50000. (146) He noted that goods to the value of £400,000 a year were made in the district and that the manufacture was much increased within the last thirty or forty years by extending

143. C. Reynel, The True English Interest: Or an Account of the Chief National Improvements (1674), pp. 17, 24.
 144. J. Houghton, A Collection of Letters ... Vol. I, (No. 11) p. 115.
 145. J. Cary, An Essay on the State of England ... pp. 136, 59.
 146. A Tour ... II, pp. 260-261.

further into the surrounding country. (147) He was also ready to admit, because cotton was mentioned by Camden, that it was "the older manufacture of the two" since we then exported wool and received woollen cloth in exchange "whereas without making the cotton goods at home, our people could not have them at all." (148) He also included cotton-wool with wool and silk amongst the greatest manufactures of England. (149) Possibly he had less regard for the industry because the "Manchester wares such as Fustians, Cottons, Tapes, Incle" were distributed by the "Manchester men" whom he described as "in a manner Universal Pedlars." (150) Joshua Gee also commended linen and silk, "as considerable in the World as the Woollen, and no way inferior ... in Point of Profit"; "fine Lace, Velvets, Silver and Gold Stuffs" and proposed the cultivation of hemp and flax in the colonies to supply the linen manufactures of Scotland and Ireland. (151) Lastly, David Bindon supported the encouragement of linen because of "the great Incroachments" that had been made upon the woollen industry. He thought that wool and linen were the most beneficial manufactures because they employed "the greatest number of Hands" and were the most necessary textile products. In "the Production of the original Materials", however, linen had the advantage because more hands were employed "in producing a Quantity of Flax than in producing the same Quantity of Wool" but, like silk and wool in the opinion of William Wood, he thought that the two manufactures

147. Atlas Maritimus, p. 108; A Tour II, p. 264.

148. A Tour, II, p. 265.

149. The Complete English Tradesman I, p. 335.

150. Atlas Maritimus, p. 108. *Infra*, pp. 961-5 for his views on pedlars.

151. J. Gee, op. cit. pp. 68, 75, 124.

supported and encouraged one another. (152)

But Defoe could not really accept that "our national manufacture" was declining and the pessimism about the future of the industry which he expressed towards the end of "The Complete English Tradesman" was only temporary. Although there was increased competition abroad, he argued, the consumption was not significantly abated. While no one had been more guilty of this than Defoe, he admitted that as the wealth of England had been so obviously increased by the advance of the woollen industry and because Englishmen had made such "loud and impolitick Boasts of that Wealth" and how the woollen manufacture had been "the only Cause of it", other nations had set to work "to imitate those Manufactures, to work up their own Wool, and employ their own Poor." Yet the effect of the prohibitions of English woollens which their rulers had made was only marginal. He insisted, "the People of those Countries do make some woollen Goods there, such as the course Wool of Saxony, Poland, Bohemia, etc. will admit; and thus the poor People in those Countries may be said to be clothed with their own Manufacture; but it seems to be little more, than instead of the Sheep-Skins, which, 'tis known, the Boors in those Countries wore before: For we find the very coursest of our Kersies, Dozens, Duffells, and Yorkshire Cloths, which are the meanest of our Manufacture, are exported to those northern Ports ... in as great Quantities as ever." (153) "The People of Fashion" he claimed still called

152. D. Bindon, A Letter from a Merchant who has left off Trade ... (1738), pp. 5, 78-79.
 153. A Plan of the English Commerce pp. 186-187.

for "our English fine broad Cloth" and that it was common for a ship to carry "500 or 1000 Spanish Cloths at a Time into Sweden." (154) Although the English cloth trade to Danzig had been affected by the cheaper freights of the Dutch, the English goods sent up the Vistula into Poland were "as much and perhaps more than ever" because the Dutch bought so much English cloth for this market. (155) He continued with this general statement about the exports of English cloth:

"... all Nations are, and ought to be at Liberty to set their own Poor at Work, if they can, and to prohibit what foreign Manufacture they please for their Encouragement: But as the woollen Manufacture of England is an Article the most extended in Trade, of any other Thing of its Kind in the World, it cannot be expected, but it may sink in one Place, and rise in another; flourish here, and decay there, and the demand alter, as the Customs of Countries alter, and yet the Gross of the Trade may be the same; As the Sea, they tell us, gains in one Place upon the Land, and the Land encroaches in another Place upon the Sea; ... And thus it is in our Trade, the Consumption of the Manufacture spreads in one Place, and draws back in another; one Nation opens the Door to it, and another shuts the Door against it; but still the Quantity goes away, it is exported abroad, bought, sold, and consum'd; and we do not find any Age pass, when more of it, either in Quantity or Quality, was ever sent abroad, than is now, or so much by a great deal:" (156)

These confident words, however, are not supported by the statistics of England's foreign trade. Woollen exports to the traditional markets of north and central Europe were in fact declining in the period after Utrecht and although this loss was offset by the increase in the trade with southern Europe and America, that with Spain was much affected from

154. Ibid, p. 137.

155. Atlas Maritimus, p. 125.

156. Ibid, pp. 188-189.

time to time by the strained relations between Westminster and Madrid. Five-year averages calculated from Mrs Schumpeter's tables give the following figures for the value of English woollen exports, as a whole:- 1700-1704, £3,106,164; 1706-1710, £3,831,878; 1711-1715, £3,929,958; 1716-1720, £3,648,042; 1721-1725, £3,666,771; 1726-1730, £3,505,508; 1731-1735, £3,995,984. They show a definite fall during the years 1716 to 1730 and that recovery only began after Defoe's death in 1731. (157) The years 1726 and 1727 were two of the worst years of the century for woollen exports, only being paralleled by the years 1718-1719, which were affected by the political differences between Britain and Spain, and 1701-1702 immediately before the opening of the Spanish Succession War. Yet England's exports of cloth were holding their own during the difficult period of the Northern War, the international financial crisis of 1720-1721, the political intrigues of the Mediterranean area and the increased international competition in textiles. Defoe was familiar with such problems. The volume of trade would obviously be reduced "upon a Peace, after a long Interruption by a War, or after Plague and the like." (158) Again there could be "some casual Abatements" of exports to particular areas because of war, "or by the unsettled Circumstances of the Nations, with respect to Continuance of Peace or War; yet nothing can be argued upon that Supposition, but what all Trades, and all trading Nations are subject to, and ever will be on the like Occasions." (159) Defoe's comments on the course of foreign

157. E.B. Schumpeter, op. cit. Table XII (records are missing for the year 1705)

158. A Plan of the English Commerce, p. 197.

159. Ibid., p. 207.

trade are generally sound and he was nearer the mark than most of his contemporaries with their dirges about the decay of Britain's trade in general and of her woollen exports in particular. Accepting that "the mimicking our Woollen Manufactures in several Parts of Germany" might lead to their demand for "our Bays, Flannels, Chamlets, Says" being completely "laid aside", he asked "But what does this amount to in the general Article of our great Manufacture? ... let Saxony, Switzerland, Piedmont, Austria and Twenty other Places ... prohibit this or that Manufacture ... If the Consumption is increas'd in other Parts of the World, be it a Thousand Miles, or Ten thousand Miles from Germany, the thing is answered, the Manufacture is the same." (160)

The increase in the British wool supply was to Defoe a complete proof of the expansion of the industry. The wool, as the stock on which the manufacture was carried on, was "the first Boundary of the Trade". Thus "before the Stop was put to the free Exportation of the Irish Woollen Manufacture, the Quantity of the Wool of England was too great for the Manufacture" and he affirmed that he had heard farmers complain that they could not pay their rents because of their accumulated stocks of two or three years' clippings. "Then", he added, "it was our great Study to get the Wooll consum'd, as appears by the Acts of Parliament for burying in Woollen; you may see by the Preamble to that Act, that it was thought to be a publick Good to waste and consume the Wooll." (161) It was not merely

160. Ibid., p. 210

161. Ibid., pp. 196-197. In the Review, Vol. III (No. 14), p. 55 he calls this Act 'a meer Trifle' and says that 'tho' great in its Prospect' it was 'nothing in its Consequences'.

the additional supplies from Scotland and Ireland, but the improvements in sheep rearing resulting from the enclosures of land. He noted "the innumerable Acres of Land improved and enclosed within these few Years, especially in the North-west Parts of England" but also "in almost all Parts of England which lay open before." (162) He proceeded to show how this changed the character of the English wool supply, producing an increased supply of long-staple wool, although he did not specifically link it with the new Draperies or note that this also meant a reduced quantity of fine wool for woollens which, in Dr. Bowden's view, was mainly responsible for the new developments in the English cloth industry: (163) "The Quantity of Wool is encreased by the Encrease of the large Breed of Sheep which are raised now, not on the Cotswold Hills of Cloucestershire, the South Downs, Salisbury Plains, and such open Countries, as formerly, where the Soil is poor, and the Sheep small, and the Fleeces light, tho' fine, and of a short Staple in Proportion to the Creatures: But in the rich enclosed Grounds of Leicester and Warwickshire, the Fens of Lincolnshire and Norfolk, the Isle of Ely, the Marshes of Rumney in Kent, the rich Lands on the Bank of Tees and on the Wier in the Bishoprick of Durham, and thro' all the Counties of Northampton, Huntingdon, Hertford and Bucks." (164) He assumed that the long staple wool produced by these large sheep from the enclosed pastures was necessarily fine. He had written earlier, "Lincoln and Leicestershire are the Counties of all England for Quantities of large Sheep and vast heavy Fleeces, the Wool very fine and

162. Ibid., pp. 198, 211.

163. P.J. Bowden, op. cit. pp. 43-45.

164. A Plan of the English Commerce, p. 198.

the Staple long: Go but over the Trent ... the Sheep are small, their Wool coarse, hairy and short, ... 'tis the Soil makes the Wool." (165) Not only was the number of sheep increased by the "many Thousands of Acres" which never fed a sheep before, but two sheep now produced more wool than three sheep, "and in some Places, than four Sheep did before." (166) The customary exaggeration does not invalidate the accuracy of the rest of the observation. (167) As the amount smuggled abroad, "tho' too much with Respect to the Injury done our Trade" was small "and indeed, not worth naming", in proportion to the total supply, this must obviously be greatly increased. (168)

to our Manufacture, because it neither employs so many Hands, nor In one respect, however, his outlook remained fundamentally conservative. Although he spoke approvingly of the quality of Colchester bays, Suffolk says, Devonshire serges, perpets and shalloons and of their sales in foreign markets, his underlying preference was still for the old English broadcloth which already had far declined in importance, except in the Levant trade.

Writing of the new manufactures introduced by the French refugees who came to England after 1685, he remarked, "they generally Enclin'd to Work our Wooll into such kinds of Goods as they had been accustom'd to work on in their own Countries, rather than fall into our Manufactures which they did not understand." Their first effort was "our thin Black Crapes, a Manufacture purely their own" and containing "the least Quantity of Wooll,

165. Review, Vol. VIII, (No. 31), p. 126.

166. A Plan of the English Commerce, p. 212.

167. P. Deane estimates that the British wool supply, including imports, rose by 40-45 per cent between 1695 and 1741. "The Output of the British Woollen Industry in the 18th Century", Journal of Economic History (1957) XVII, No. 2. p. 220.

168. A Plan of the English Commerce, p. 214.

that ever was heard of in a Garment, supplying the room of a Suit of Cloth." He obviously regretted that "it became a General Habit," and was worn by "Ladies of the best Quality" until "the Meanness of the Price giving every Servant an Opportunity to be as fine as her Mistress, it grew a little obsolete among the Women" only to be taken up by the men for waistcoats and linings. (169) In March 1705, he wrote of "the Invasion of our Capital Trade of Woollen Cloth, by our running upon light, thin and Novel Wearing of Stuffs, Druggets and Toys, in the room of our Broad-Cloth, the Ancient Standard Commodity, and Staple Trade of this Nation. This is an Evil to our Manufacture, because it neither employs so many Hands, nor Consumes the Quantity of Wooll." (170) Ten days later, he again referred to "our Old Substantial Staple of Broad-cloth" and continued, "The French made Stuffs, Druggets, Camlets, and such light sort of Wares, for Necessary and Substantial Reasons.

1. Because they cannot so well make Broad-cloth, having neither convenience, Fullers-Earth, or Workmen, but especially Wooll.
2. Because their Country being generally hotter than ours, and the Temper of their People Nimble and Easie, they are best suited and pleas'd with a thin light Stuff." Broadcloth was thus peculiarly suited to the English genius! Later in the same issue, he had this short imaginary dialogue:

169: *Review*, Vol. I (No. 86), p. 357.

170: *Ibid.*, Vol. II (No. 4) p. 14.

171: *Ibid.*, Vol. II (No. 4) p. 14.

172: *Ibid.*, Vol. II (No. 4) p. 14.

173: *Ibid.*, Vol. II (No. 4) p. 14.

"... Why are not Druggets as good a Manufacture as Cloth? ... since they Employ as many Poor in their Manufacturing, are as good a Wear, as Warm, and sooner Worn out?"

.....
 "Is it not the Interest of England to have all her Wooll Manufactur'd here? Answer, 'Yes: And therefore,

Druggets are not so good a Manufacture as Cloth, because ... it is the Interest of England, to have all her Wooll Manufactur'd here.

Now should all the World be no better Friends to us, than we are to our selves, and send to us for Druggets instead of Cloth, we should never be able to Manufacture all our Wooll in England ...'" (171)

He also complained of "the Cloathing our Country Youth of both Sexes in Light Stuffs" as an "apparent Injury to our Manufacture."

(172) It was imperative that England should maintain the quality of her broadcloth: "If we sink the Value, we let all the World into our Trade; we bring our Wine down to Small Beer, which all Men will make as Cheap as we; we raise Rivals upon us, and ruine our Trade." (173) So great was his attachment to broadcloth that he usually referred to the new Spanish cloths of the Wiltshire-Somerset area as "fine Broad Cloths" or "Fine Broad Medley Cloths." (174) It was also his practice to refer slightingly to the best French cloths as "fine Druggets." (175) When he came to write his 'Tour' however, he had somewhat reconciled himself to the new lighter wares, possibly because of the difficulties English woollens were meeting in their usual markets. Thus he describes Devizes as a town which "has, lately, run pretty much into the drugget-making trade; a business, which has made some invasion upon the broad-cloth trade, and great

171. Ibid, Vol. II, (No. 7) pp. 25, 26.

172. Ibid, Vol. II, (No. 9) p. 33.

173. Ibid, Vol. II (No. 23) p. 90.

174. Atlas Maritimus, pp. 52, 153.

175. Supra, p. 208.

quantities of druggets are worn in England, as also, exported beyond the seas, even in the place of our broad-cloths, and where they usually were worn and exported; but this is much the same as to the trade still; for as it is all a woollen manufacture, and that the druggets may properly be called cloth, though narrow, and of a different make, so the makers are all called clothiers." (176) But the pessimism about the future of the woollen manufacture which had appeared in the second volume of the 'Complete English Tradesman' was also evident in another pamphlet of the same year, 1727, and produced another requiem on English broadcloth. The "making narrow and lighter kinds of Cloth, such as we call Druggets and Kersies, instead of Broad-cloth, in ... Wiltshire, Berkshire and Devon; and Sagathies and Duroys, a thin and light Sort of Stuff, instead of thick, Cloth Serges, at Taunton" was "a Door opened to the Attempts of Foreigners, who encroached upon us by those Imitations and Delusions, but were not able to come up to us in the essential Part of the Manufacture, viz. the Cloathing Part." Although the French were obliged to maintain the standard of their broadcloth in Languedoc because of the competition with England in the Turkey trade, their "superficial humour" made them turn to "light, loose and spongy fabrics" elsewhere, such as "Drap de Normandy" and Drap de Berry". "Had we let the French go their own way," he protested, "and kept up at home to the old English Manufacture of Broad Cloth, the French to this Day had been distanc'd in their new Attempt; but with a Weakness, never to be defended, ... we faced about, and simply followed them." The French were in the right in making these

light cloths, because they needed less wool and fewer hands, but we "made that, which was their Necessity, be our Mischief" and "quit the Broad Cloth, the ancient Glory of England" to make even "light Stuffs for Men's Wear, to the Ruin of our own Manufactures." The "great Promoter of this Debauchery in Trade ... was one D'Oyly, a Warehouse-Keeper in London, who, valuing himself upon that for which he ought (according to the Laws of Parliament) to have his Name be made infamous, and his House be made a Dunghill, boasted of his Merit, and call'd his new French Mimickry of a Manufacture, Doyly's Stuffs." Defoe described druggets, sagathies, chamlets and duroys as a middle kind of woollen material, between cloth and stuff and alleged that "a strange and sudden Metamorphosis in Trade" followed this innovation. The established silk manufacture in Spitalfields, began to decline and the weavers turned first to the manufacture of woollen stockings previously made chiefly in Norwich and then they displaced Norwich as the principal centre of the narrow woollen manufactures. He had used both these interruptions of the normal channels of trade to condemn Mackworth's plan for organized workhouse manufacture in his "Giving Alms No Charity" and he now attacked another new development. As Colchester bays were now made at Coggeshal, Witham, Kelvedon, Braintree and Halsted, indeed in "almost all the considerable Towns in Essex beyond Chelmsford," they were outside the former jurisdiction of the Bay Hall at Colchester and the makers were able to put their own marks or seals upon the goods which no longer enjoyed their old reputation. "If once a Manufacture declines in its Credit," he continued, "I shall

always conclude it is declin'd in its Sales, or will soon be so." (177) For these reasons, Defoe was never able to give such an enthusiastic welcome to the new fabrics, as even the conservative John Blanch, who described "our new Drapery in our Trade to Spain and the West Indies" as "the greatest improvement that England ever made." (178)

The increased competition which English cloth was facing in foreign markets was also responsible for another development in Defoe's ideas about "our manufacture" although his conservatism and Puritan dislike of excess probably also played their part in determining his new attitude. This was the conviction that there was a norm for the clothing trade which it was dangerous for the industry to exceed. He had arrived at the conclusion that the English woollen manufacture was now "too great for the whole World", that because all the wool of Ireland and Scotland as well as the increased English output was now manufactured in England by less than one quarter of the population, that the people of Great Britain and Ireland were "able to make more Woollen Manufactures than all the known Inhabitants of the World would wear." (179) As a result "the Magnitude of the Manufacture" had become "its only Grievance, being encreased to such a Degree, by the Ignorance and Wealth of the Manufacturers" that it was too great for itself and the quantity "too great for the Market, tho' the Market was intirely open, and uninterrupted by any Rival Manufacture, or any Prohibition whatsoever."

177. A Brief Deduction ... of the British Woollen Manufacture.
pp. 38-43.
178. (J. Blanch) The Naked Truth, in an Essay upon Trade (1696)
p. 9.
179. A Brief Deduction ... op. cit, p. 3.

With the fondness of writers in the century after Harvey for analogies with the circulation of the blood, Defoe declared "As the Veins may be too full of Blood so a Nation may be too full of Trade" but then replaced this by the simile of a river which normally serves its basin in various ways but may cause damage and destruction by flooding or contrary disasters during a drought:

"Our Manufactures of Wool in this Nation, bear a just Analogy with this Case, like a Stream, they are in their prosperous Course the Wealth and Glory of the Country: While the Trade flourishes Abroad and at Home, and the Consumption makes a moderate current Demand, the Manufacture goes on at a steady, chearful, even Pace, the Wool is consum'd and wrought up, the Poor are employ'd, the Master Manufacturer thrives, the Merchant and the Shop-keepers go on with their usual Strength, and all the Trade flourishes. Upon some sudden Accident in Trade here comes a great unusual Demand for Goods, the Merchants from Abroad have sudden and unusual Commissions, the Call for Goods this Way or that Way encreases, this makes the Factors send large Orders into the Country; and the Price of Goods always rises according to the Demand: The Country Manufacturer looks out sharp, hires more Looms, gets more Spinners, gives more Wages, and animated by the advanc'd Price, is not content to answer his new Orders only, but he continues the Excursion he had made into the Country for Spinners, etc. runs on to an Extremity in Quantity, as far, or perhaps farther, than his Stock will allow: and in a Word, gluts the Market with the Goods.

2. The Accident of Trade, which from Abroad fill'd the Merchants Commissions, and the Factor's Orders being over, ... the Trade returns to its usual Channel; but the Manufacturer in the Country, ... having not stopt his Hand as his Orders stopt, falls into the Mire; his Goods lye on Hand, the Poor which he call'd from the Plow and the Dary to spin and weave, are cast off again, ... and then they cry out Trade is decay'd, the Manufactures are lost, Foreigners encroach upon us, the Poor are starv'd, and the like." (180)

This familiar description of the alternation of boom and slump in the trade cycle shows his preference for a steady level of employment and output. He condemned the manufacturer

for his excessive zeal and trying to obtain more than his fair share of the trade, "willing to furnish the Orders all himself, and loth to let a Neighbour come in with him." "He followed this with examples of "accidents" in trade, such as the recent outbreak of plague in Marseilles in 1720, which "occasion'd a very great Addition to the Trade of Great Britain ... for near Two Years" and the post-war boom after Utrecht, "after the Confusions in Spain had put a Check to the Trade between England and that Country for several Years; as likewise again after the Surrender of Sicily, when Trade breaking out like the Sun after an Eclipse, the Demand for our English Manufactures, Bayes, Says, Perpetts, broad Cloths, Serges etc. was such, that the Manufacturers thought they could never make too many." It was on this occasion that the price of bays rose from 12d. per Ell to 16d., the ploughmen left their employment and the farmers could not get dairy-maids at a shilling a week when they could earn 1s. to 1s.6d. a day by spinning. When the foreign demand slackened, however, "all these loose People were turn'd off, the Spinners went a begging, the Weavers rose in rebellion, and the Parishes were left throng'd with Bastards, which was all that we might say was got by that Bargain. Whereas, had the Merchants been obliged with the Goods as fast as the ordinary Numbers employ'd in the Manufacture could have wrought them, the Market had held the longer, the Merchants had had their Goods the cheaper, and the Markets Abroad would have been supplied at last too." (181)

181: Ibid, pp. 193, 194-195, 201.

182: ...
183: ...

His own experience of over-trading which led to his first bankruptcy must also have coloured his views of the harmful results of a trade-boom and, in fact, he compared it to "a Tradesman that over-trades himself, and runs out beyond the Compass of his Stock." (182) He complained that it was no decay in trade when this was measured from the artificial height of the top of a boom, only "a Return of the Stream: to its usual stated Bounds, bringing Trade into its right Channel again." (183) How should the Respiration of Trade be preserved", he asked with a new figure of speech, "when 'tis choak'd and suffocated with Goods? When Blackwell Hall is empty, the Trade breathes; but when we see it piled up to the Ceilings; ... Trade suffers, it is oppress'd with Quantity and must die if not relieved. Let the Trade of Great Britain go on its usual Channel, the Magnitude of it is sufficient of itself; all Excesses hurt it; I do not think Trade receives any Advantage from those sudden Starts and Advances of Price, ... but what the Manufacturer makes one Way, he loses another, and the Poor lose by it both ways." (184) His ideal was thus a fully-employed woollen industry meeting a normal, vigorous but steady demand for its products.

Defoe's first remedy for the stagnation of trade which produced so many lamentations from his contemporaries was addressed to his own countrymen. (185) Unable to accept that British cloth did not continue to sell readily abroad, in view

182. *Ibid*, p. 200.

183. *Ibid*, p. 196.

184. *Ibid*, pp. 200-201.

185. E.g. Cary, Whiston, Brewster, Povey, Blewitt, Gee, Decker.

of its superior quality and relative cheapness which followed from the initial advantage of an abundant supply of the best wool in the world, he was bound to look elsewhere for the reason for the trading difficulties of which British manufacturers and pamphleteers complained. The industry was "in a State of Decay too from our Conduct at home, much more than from all Prohibitions and Interruptions abroad," and all "for want of a Consumption equal to its Bulk." Yet, he exclaimed, "we are no sooner Prohibited the Use of one foreign Bauble, but we fly to another, first we turn'd our Backs upon our own wrought Silks, and run to India and China for all the slightest and foolishlest Trash in the World ... When this Extravagance was also check'd by a Law, ... on a sudden we saw all our Women, Rich and Poor, cloath'd in Callico, printed and painted." (186) It was, therefore, the British people themselves who must ensure that the large quantity of goods, manufactured from the increased supply of wool, found a market. Instead of despising their own manufactures, he asked, "Why do not the People of Great Britain, by general Custom, and by universal Consent, encrease the Consumption of our own Manufactures, by rejecting the Trifles and Toys of Foreigners, why do we not appear dress'd in the Growth of our own Country, and made fine by the Labour of our own Hands?" He emphasized that it was the people who must take the initiative: "All the Kings and Parliaments that have been or shall be, cannot govern our Fancies: They may make Laws, and shew you the Reason of those Laws for your Good; but two Things among us are too ungovernable, viz. our Passions and our Fashions." (187) He

186. A Brief Deduction ... op. cit., pp. 49, 50.

187. A Plan of the English Commerce, p. 189.

addressed himself particularly to the English tradesmen, demanding, "if our manufactures are the tradesmen's life, if they are his trade, why should they not be his wear? Why should the merchant be above his own manufactures?" This was "an absurdity in trade." While "almost all the nations in Europe" were "labouring to discourage our manufactures, and to wear their own, however inferior in goodness; ... we see our own nation at the same time pleased with any foreign manufacture than their own, and choosing to dress in the tawdry and sorry trifles of strangers, rather than in the much more valuable Articles of their own workmanship, as if they were sick and surfeited with their own Manufactures, ..." (188) But he even found it difficult to agree that the home trade in textiles had declined. "The Manufacture", he announced, "is not in its self declin'd so much, as the Consumption is divided into several Manufactures, which perhaps were not known before, but under one Denomination; such as the Cotton Manufacture in Lancashire and Cheshire, the Linen Manufacture in Scotland now become our own by the Union; and the Linen Manufacture much encreas'd of late in England it self, and the same in Ireland, which tho' not our own, we find it much for our Interest to encourage." It was certainly stretching the case to try to include the rising new textile trades under the general label of woollens and to add, "if by the Consumption of these the Consumption of the Woollen Manufacture is divided, I cannot say this can be call'd a Decay of our Trade." In the context of these remarks, however, it seems that he was chiefly

concerned to argue that they were not increasing at the expense of his cherished woollen manufacture, but "in the Room of the Callicoos, the Use of which was lately prohibited; They are not therefore the Reason of any present Decay of the Woollen Manufacture; but if there was a Decay in the Consumption of the Woollen, it was done by the said Callicoos before." (189) These calicoes being forbidden, "the Only Way to restore our Manufactures" was "to WEAR THEM" (190) In fact, however, this is just what the English people were doing. Miss Deane has stated that there is "evidence of a marked growth" of the British woollen industry "during the early decades of the (eighteenth) century, at a period when population remained fairly static and when exports, though probably growing, also were probably expanding more slowly than the volume of total output. The inference is that home consumption per head was increasing." (191) Thus we have the paradox that while Defoe was making reassuring statements about the continued progress of English exports of cloth, they were having a hard struggle to keep their position in many markets and that at home consumption of woollen goods was rising, at the very time that he was berating his countrymen for not supporting their own industries by wearing British manufactures.

Defoe's final remedy, and the reason for his confidence in the future of the industry, was further colonization. We had people to spare who would become so much more prosperous

189. A Plan of the English Commerce, pp. 190-191.

190. A Brief Deduction ... op. cit., p. 51.

191. P. Deane, 'The Output of the British Woollen Industry in the 18th Century' 'Journal of Economic History' (1957), XCII, No. 2, pp. 221-222.

overseas and thus demand more of our manufactures than they did here and these would be exports, always so much more desirable than home consumption. Moreover, by civilizing the natives so that they came to wear clothes, they would create a vast new market for British cloth. (192) Therefore, he declared:

"Let us no more amuse ourselves, and raise the Vapours with our Phlegmatick Thoughts about every little German Encroachment on our Manufactures, and the Prohibitions of a few petty Princes in the North. Here we can raise a Consumption of our Manufactures, superior to all the Obstruction they can give us: Here our Manufactures will never be prohibited; here the Demand will be for ever encreasing with the People; 'tis like a Mill built by the Lord of the Manor, it grinds for all his Tenants, and is kept going by his own Stream; so that on one hand it can never want Work, and on the other hand can never want Water. ... here is the greatest Opening for an Improvement of our Trade, and the easiest to put in Practise, that ever was proposed, or perhaps can be proposed to this Nation; and till we go about it, we ought never to complain of the Decay of our Trade, or of the want of a Vent for our Manufactures." (193)

192. Infra, pp. 1040

193. A Plan of the English Commerce, p. 272.

NAVIGATION

In an age when exports were considered paramount, it is not surprising that the early English economists should attach so much importance to the development of a native shipping industry for the conduct of foreign trade. They also had constantly before their eyes the commercial success of the Dutch, so clearly associated with their preponderant share of Europe's carrying trade throughout most of the seventeenth century. Thus the volume of shipping employed came to be almost a barometer of a country's success in trade. Defoe also added that navigation had had God's blessing since the beginning of time. Referring again to the divine original of trade, to the way in which God had distributed His bounty throughout the earth, (1) he exclaimed,

"Thus the Wise Disposer, has separated all those valuable things, by vast Oceans, unknown Gulphs, and almost impassable Seas, that he might joyn them all again, and make them common to one another, by the Industry of Men, and thereby propagate Navigation, Plantation, Correspondence, and Commerce, to the Universal benefit of every part of the World.

England thus converses with India, and enjoys all that India can give, Returns what ever India wants; and the Breadth of the Ocean is in the World of Trade no more interruption to the Trade, than the distance of New-Castle Coals, is to the keeping good Fires in the City of London ... the distance of these things, is so far from being the inconvenience of these parts of the World, that it is their Blessing, it is the Life and Soul, the Being and Nourishment of Trade; it encourages Navigation, encreases Shipping, and breeds up Seamen, all which serves to the Great End of Trade, which is the Employment of People." (2)

But this mutual interchange of goods was expected to produce a favourable balance in Britsin's foreign trade and

1. Supra, p. 11
2. A General History of Trade July 1713, pp. 25-26.

his objections to the East India trade in 1719-1720 were against the threat to English woollen and silk manufactures from cheap Indian calicoes rather than to the usual charge of loss of bullion. (3) With the profit from overseas trade, power would be inextricably intertwined, particularly naval strength so vital to a maritime nation. The growth of the trade of the maritime powers had "enlarg'd their Wealth and Power, attracted Multitudes to dwell in the most narrow and prescribed Bounds, and found Subsistence for them, where the Country it self could not maintain the tenth Part of them:" By this they had raised "a Naval strength" which had always enabled them "to carry the War home to their Enemies Coasts, however distant." Their peacetime trade maintained the numbers of their seamen and thus provided a supply of trained mariners to man their navies in time of war. "All those Nations, which were formerly great in War," such as Antwerp, the Hanse Towns, Novgorod, and Spain, had declined proportionately to the decrease in their trade. (4)

Like all his contemporaries, Defoe tended to trace all beginnings in trade or industry or naval power to either the first or the last Tudor sovereign and it was Elizabeth I who had laid "the solid foundation" of England's maritime greatness: "She opened all these Doors, she sent out all those Adventurers, she planted all those Colonies, or made Way for the planting them; she circled the Globe by her Mariners, she founded the Commerce of both the Indies, of Africa, of Holland, and Hamburgh,

3. Infra, p. 764

4. The Advantages of Peace and Commerce ... (1729) pp. 3-4, 6, 10.

the Levant, and the Baltick Seas." The "Naval Glory of England" was "all raised upon her prudent exerting her Strength at Sea" whereas "the World scarce ever heard of an English Man of War ... much less of an English Navy till Queen Elizabeth." It was not merely a case of the longest purse being now superior to the longest sword but that naval power was so strikingly effective. "In a Word, she cover'd the Seas with her Men of War, and like King George, let the Enemies of England see, that they that command the Sea, awe the World, and that to be masters of the marine Power, is to be Masters of all the Power, and all the Commerce in Europe, Asia, Africa, and America." He even claimed that, without pressing any seamen, "she was at that Time able to have fought all the Maritime Powers of Christendom at Sea, had they been all in Confederacy together" and that this conclusion was based merely on "the Number of her Seamen and Ships, not at all insisting on the Goodness of her Seamen." "With our naval Power grew up our Commerce, as if like Twins they were born together, and not to live asunder." Indeed this increase in English strength at sea enabled trade to be further extended. "Under this Protection the Commerce encreased, Trade got Ground, the English Nation swelled into an Empire of Nations, and the English Merchants carried a general Negoce to all the Quarters of the World." (5) In Defoe's day, it was inevitable that Elizabeth should be made directly responsible for every development of her reign but, allowing for his customary exaggeration, his outline of the origins of English naval power is broadly correct. Professor R. Davis has stated that "the basis on

which England established herself in 1588 as the first naval power of Europe was created only during the previous two decades" and that her merchant fleet was so insignificant in 1560 that she "ranked low among the maritime states." (6)

Defoe was never guilty of underestimating the power of France and the first numbers of his 'Review', which began as 'A Weekly Review of the Affairs of France', were devoted to warning his countrymen how formidable their enemies were. They were "a vigorous, active, industrious, and even in Trade as well as War an enterprizing People" and but for their fatal handicap of a poor supply of native wool and their late entry into overseas trade, they would by this time have been the greatest Nation for Trade in the World."

"... since the beginning of the Reign of the late King Lewis XIV they have launch'd out so much, and with such Success, in their Improvements as well in foreign Trade and Discoveries of Countrys abroad, as in Manufactures, Arts and Improvements at home, that had they begun a hundred Years sooner, France for ought we know might by this time have been the most improv'd Nation in the World, and her People the greatest Traders. All the East-India Trade, and the Colonies there, had been theirs rather than the Hollanders or the Portuguese. The West Indian Islands had fallen into their Hands instead of the English, and they had possess'd great part of America before now.

Had Lewis XIV begun to reign when Henry IV did, and had his naval Strength been but in proportion then to what it was in 1692, the Spaniards had not now been Masters of Mexico or Peru, or the British of the rich Islands of Jamaica or Barbadoes; the Dutch would never have been able to have engross'd the Spice Trade of the East-Indies, or the Portuguese the Gold of Brazil: ... whereas now, by the French coming so late into their marine Improvements, their Colonies in America are but mean, and confin'd to the North Climate; their Islands few, and they have no Footing

at all in South-America, very little on the Coast of Guinea, and less in the East-Indies. They have little or no Share in the Herring-Fishery, and none at all in the Whale-Fishery; a very small Trade to the Elbe and Weser, or to the Coast of Norway, less still to the Baltick, and none at all to Archangel." (7)

From Roger Coke and Sir William Temple onwards most English writers on trade were astonished by the success of the Dutch in shipbuilding and the carrying trade, an achievement all the more impressive because they had to import all their naval stores, had little of their own growth or manufacture to export and their inconvenient harbours were situated on a lee shore. (8) Temple remarked that they had "no Native Commodities towards the Building or Rigging of the smallest Vessel; Their Flax, Hemp, Pitch, Wood and Iron, coming all from abroad." Ordinary ships could not reach Amsterdam "without the advantage of Tides; Nor great ones without unloding" which led him to the conclusion "'tis not an Haven that draws Trade, but Trade that fills a Haven." (9) Defoe was convinced that the English enjoyed an overall advantage over the Dutch in shipbuilding. Although they did not build as cheaply as their rivals, they built stronger and their ships lasted longer and were kept "with less repair" so that they were "the cheapest in the End."

"If the natural Situation of any Country hinders the Inhabitants from having the Materials for their

7. Atlas Maritimus, p. 143.
8. R. Coke, A Discourse of Trade (1670) Preface; Treatise II, pp. 59-60; England's Improvements (1675), Treatise III, p. 52; J. Whiston, A Discourse of the Decay of Trade (1693) p. 3; C. Davenant, Collected Works, ed. Whitworth I, pp. 390-391, II, p. 228.
9. J. Gee, The Trade and Navigation of Great Britain Considered, pp. 130-131. Sir W. Temple, Observations upon the United Provinces of the Netherlands, pp. 128-129.

Work so cheap as their Neighbours, they must comply with their Circumstances, and by the Cheapness of their Labour and Living make up the Deficiency if they can: And this is the Case of the Dutch.

It is evident they have nothing relating to the building or fitting out of Ships, that is of their own Growth, ... nor for Victualling ... all must be fetch'd at the Expence of the first Cost, besides Freight and other Charges, from foreign Countrys.

... the only thing I meet with, in which the Dutch may be said to out-do us, is, That they have Saw-Mills, which we do not encourage, because of their taking away the Employment of the Poor.

Besides, if it were true that the Dutch build as cheap and as good to the Merchant, yet they being forced to buy all their Materials, cannot build so much to the Advantage of the publick Interest and general Stock as the English: Since, speaking of the publick Stock of the Nation, so much of the Timber, Plank, and all the Victuals, as is used in building and fitting out a Ship in England, and is the Growth of our own County, or of our Plantations, costs indeed nothing at all to the Publick, because so much of our own Growth as is sent abroad, is clear Gain to the Publick Stock of the Nation.

... That so much of the Materials for building or fitting out Ships, especially for the Greenland Fishery as the English do (perhaps more than they need) buy of other Nations, yet they are bought or rather paid for in Account by Exchange, and in return for our own Manufactures exported to the several Nations where those Goods are bought." (10)

Believing that England had been blessed beyond all other nations in both the richness and extent of its natural resources, he could not accept that she suffered from any shortage of timber although this had appeared before the end of the sixteenth century and, by Defoe's day, had led iron smelters to seek new sources of supply in the west and north of Britain, even as

10. Atlas Maritimus, pp. 135-136. The observations about the durability of English ships and the Dutch use of saw mills occur in almost identical words in 'A View of the Greenland Trade and Whale-Fishery', published in 1722 by J. Roberts who published many pamphlets for Defoe between 1715 and 1728. The general argument of this 68 page pamphlet also suggests that this was yet another publication by Defoe.

far afield as Invergarry in Inverness-shire by 1729. (11) He noted the complaint of the threat to naval supplies of timber from the ironworks of the Weald but argued that this was "perfectly groundless, the three counties of Kent, Sussex, and Hampshire, ... being one inexhaustible store-house of timber never to be destroy'd, but by a general conflagration, and able at this time to supply timber to rebuild all the royal navies in Europe, if they were all to be destroy'd, and set about the building them together." At Arundel he was pleased to see the great quantities of large timber, especially the scarce large knee timber needed for naval architecture, shipped from the river Arun for the naval dockyards at Deptford, Chatham, Portsmouth and Plymouth, and at Southampton "a prodigious quantity of timber, of an uncommon size, vastly large, lying on the shoar of the river, for above two miles in length," from the New Forest. "Notwithstanding the very great consumption of timber in King William's reign, by building or rebuilding almost the whole navy" and the many large merchant ships built in this district, he claimed that he saw "the gentlemens estates, within six, eight, or ten miles of Southampton, so over-grown with wood, and their woods so full of large full grown timber, that it seem'd as if they wanted sale for it." Therefore, he concluded "that if we were employ'd in England, by the rest of the world, to build a thousand sail of three deck ships, from 80 to 100 guns, it might be done to our infinite advantage, and without putting us in any danger of exhausting the nation of timber." He was prepared to admit that

11. P. Mantoux, The Industrial Revolution in the Eighteenth Century (1928), pp. 237-283; H. Hamilton, History of the Homeland (1947), pp. 163, 172; R.G. Albion, Forests and Sea Power, pp. 130-133.

perhaps more ships were built at Schedam near Amsterdam, and that there might be more ships seen at Amsterdam, than at London, but the English built only for themselves, the Dutch for all the world and that whereas almost all the Dutch ships were built at Schedam, not one-fifth of English ships were built in the Thames. (12)

Defoe insisted that in the number of ships "built and employ'd in Great Britain," the number of trades dependent on "the building and repairing, fitting and furnishing" of these ships and the number of mariners employed in them, England out-did "the whole Trading World." (13) He remained convinced that these ships were better built than those which were finished in foreign yards, thus maintaining the reputation for quality which he thought all English goods enjoyed:

"... the Dutch and French, Swedes and Danes, build cheaper; but the English build stronger and firmer; and an English Ship will always endure more severity, than any foreign built Ship whatever; the Examples are seen every Year, particularly in the Coal Trade, the Loading of which is very heavy, and the Ships swim deep in the Water, by the Eagerness of the Masters, to carry large Burthens; and yet it is frequently known, that a New-Castle or Ipswich built Colier, shall reign ... forty to fifty Years, and come to a good End at last; that is, be broken up; not founder at Sea, or break her Back upon the Sands, as Ships weaker built, often, nay generally do.

The firm Building, as well as beautiful Moulds of our Men of War confirm this also, in which they out-last,

12. A Tour, I pp. 125, 132, 139-140, 347; also pp. 105, 136-138; R.G. Albion, p. 133 states "During the first half of the eighteenth century, the timber problem was dormant in the English forests. The oaks that had been young enough to escape destruction prior to 1660 were gradually coming to maturity and the Restoration plantings provided for a regular succession for some time to come.
13. A Plan of the English Commerce, p. 171.

as well as outshine, the strongest and finest built Ships of most other Nations, if not of all Nations in Europe, except only those Castle-built clumsy Things called Galeons, which are built so strong, that is, so thick, that they are scarce fit for anything." (14)

There seems little doubt that this was broadly true. England had fought her way into distant trades by large, manoeuvrable, strongly-armed ships such as the East Indiamen and her entry into the carrying trade of the Mediterranean during the seventeenth century, the first region where her ships took a large part in the trade between other countries, was due to the fact that they were strong and well-armed and could fight off the Barbary corsairs. (15)

He even suggested that Britain employed more shipping and more seamen than all the other nations of Europe. (16) This claim was based on her exports and on her large import trade but his remarks elsewhere show that he was including the large number of ships in the colonial trade. He admitted that the Dutch had "an infinite Number of small Craft" but he affirmed, "for great Ships, and Ships of Force for the Merchants Trade, they cannot come near us, our coasting Trade for Coals, our West-India, Spanish, and Straits Trade, which is all carry'd on in large Ships, carrying from ten to thirty Guns, or able to carry so many, and some 36 to 40 Guns, especially the Trade to Virginia, Jamaica, Barbadoes, Spain, Italy and Turkey, in which many Ships are employ'd, which, in times of sudden Rupture, have been hir'd and taken up for Ships of War, and are very fit.

14. Ibid, pp. 32-33.

15. R. Davis, 'England in the Mediterranean' in Essays in the Economic and Social History of Tudor and Stuart England, ed. F.J. Fisher (Cambridge 1961) pp. 127-132.

16. The Compleat English Tradesman, I, p.3.

to be so." (17) He maintained that there were "250 Sail at least constantly employ'd in Trade" between Jamaica and England, "including the Ships with Negroes from Guinea," another 100 in the trade with Barbados, 100 in trade with all the other West Indian islands, 300 with Virginia, 150 with New England, New York, Pennsylvania, Carolina and Hudson's Bay and 100 with Newfoundland. (18) These would be British ships for the ships built in New England were mainly employed in the provision trade between the mainland colonies and the West Indies. (19) Defoe, however, expressly stated that he did not include these vessels in the foregoing estimates, nor "the Shipping employ'd in the Whale and Cod Fishing, and the Shipping to the Bay of Campeachy, to the Maderas for Wine and Cape de Verde for Salt, nor the vast Number of Sloops in Virginia. He thought that these would total a further thousand sail, whereas "all the Spanish Trade to Europe" did not employ above fifty ships a year. (20) He further contended that English vessels predominated in any harbour south of the English Channel, "at Lisbon, at Cadiz, at Malaga, at Messina, at Leghorn, at Genoa, at Zant, at Venice" and "generally more than of all the other Nations put together." At Lisbon, he reported that the last account which he had seen, gave 50 English ships to 18 French and 5 Dutch, at Cadiz 18 English to 12 French and 3 Dutch, and at Leghorn 8 English to 5 French and 2 Dutch. "As for America, we see

17. A Plan of the English Commerce, p. 124.

18. Atlas Maritimus, p. 334.

19. R. Davis, The Rise of the English Shipping Industry, p. 268.

20. Atlas Maritimus, p. 334.

hardly any French or Dutch in any of the Ports or Places of the Country, except the French Bankers off of Newfoundland, and a few Ships at Canada; the Dutch, with all their powerful Commerce, have scarce any Thing to do there." In the import trade, besides a little fleet of small ships called Pipiners which brought oranges from Seville and lemons from Malaga, he estimated that 40 to 50 ships were solely engaged in the carriage of raisins and currants from Spain, Italy and the Isle of Zant, and that 14 to 15 more brought oil from Gallipoli. (21) Earlier he had asserted that the French "had no Ships for their Trade" and "no Trade for their Ships" comparatively speaking. Although they had increased their shipping very much during recent years, they had no shipping compared to that owned by the maritime powers. "The Dutch", he proclaimed, "employ more Shipping in their Fisheries, and the Trade depending on it, than all the Shipping of France. The English employ more Shipping in their West-India Trade, than all the Shipping of France." Although the French had "a pretty large Coasting Trade," Britain employed more tonnage in the coasting trade of coal than "all the Shipping of the whole Kingdom of France ... at home and abroad, their Men of War only excepted." (22) These extravagant statements were counter propaganda, made in reply to No. 31 of the "Crisis", where Steele had argued that the French were in a far better position to engross all the trade of Europe than they were before the Spanish Succession War, but over a decade later he asserted "we have in England

21. A Plan of the English Commerce, pp. 126-127, 164.

22. Mercator, No. 126, March 13, 1713 (1714).

ten thousand sail of Ships, some say twenty thousand, and I believe they that say twenty speak nearest the truth." (23) Defoe does not give any figures of tonnage, nor any indication of the size of his ships, but the figures supplied by Professor Davis suggest that he exaggerated the number of ships engaged in the Jamaica and Newfoundland trades and underestimated the number employed in the Spanish trade to Europe. Professor Davis suggests that the total tonnage of British shipping at the beginning of the eighteenth century was below 400,000 tons and it grew more slowly up to 1750 than it had done before 1688. (24) The estimates given by J.M. Price show that in 1670 Dutch shipping was five times the size of the English and Scottish ships combined and that they outnumbered the French in the proportion of five to four. Dutch shipping probably reached a peak about 1700 but they still had the leading mercantile marine in 1720 and possibly even in 1750. In 1730 the French merchant fleet was only two-fifths the size of the British which had a greater lead over it than in 1670. The percentage of Dutch shipping in the African and American trades, however, was declining while that of the British was rising in these expanding branches of international commerce. The Dutch had a much larger proportion of their shipping in the European and Mediterranean trades which were becoming relatively less import-

23. Complete English Tradesman, II, Part II, p. 109; he suggested that 3000 ships were engaged in the coasting trade, p. 127.
24. R. Davis, op. cit., p. 184, 9000 tons of shipping were required for English imports of fruit from Southern Europe and Turkey and 33,000 tons for imports from the West Indies and West Africa, 1699-1710; p. 294, tonnage of clearances from British ports 1715-17. Barbados 12,600; Jamaica 7,600; other West Indian islands 12,200; Africa, 3300; New England, New York, New Jersey and Pennsylvania, 10200; Newfoundland 5800; Virginia, Maryland, Carolina 24300.

ant. Even in the Baltic, however, the Dutch lead over the British in both the size and number of vessels was diminishing.
(25)

The absence of the Dutch from American waters was, of course, the result of the English Navigation Acts which Defoe strongly supported. Writing in June 1711, of the Spanish control of the trade with her American colonies, he declared, "This Law as it was most just, so it was an effectual Step to secure the Commerce, as well as the Property of the Place; for if either the Ships, the Merchandizes, or the People of other Countries, might have been permitted to go to these New Dominions, and to return from thence, then indeed had the Spaniards made this Conquest for those other Nations, not for themselves, and the Profits had been Ours and the Hollanders, rather than the Spaniards. Note, this is the same Thing, which by our Act of Navigation is Establish'd with our American Colonies, and if it were not so, some of them would be of very small Advantage to us."

(26) During the debate about the commercial treaty with France, he reaffirmed this principle: "Every Merchant who understands the Interest of Trade, will join in this, that the carrying on our own Trade in our own Shipping, is the Foundation of the English Wealth, and for this reason the Act of Navigation is esteemed by the whole Nation to be the greatest Support of our Trade, and has been charily provided for, preserved, and regarded

25. J.M. Price in "The New Cambridge Modern History", Vol. VI, pp. 871-873.

26. Review, Vol. VIII, (No. 42), p. 170.

by the Parliament on every occasion, when other Laws have been made which have seem'd to interfere therewith." (27) Defoe was completely consistent in maintaining this doctrine. Condemning the sloop trade between Jamaica and the Spanish colonies, he alleged that "too much Connivence" had been given by both the colonial governors and the commanders of British warships and urged that the smugglers "ought to be punished even by our Governors at Jamaica." He added, "it is the same thing with us in our Plantations, where, if we did not preserve the Property of our Trade entire, without permitting any other Nations to trade with us, we should soon lose our Plantation-Trade and have other Nations run away with the Commerce, leaving to us only the Charge of maintaining them." (28) Although he approved of the internal trade between the various British colonies in America, particularly the provisioning of the West Indies from the mainland colonies, especially by New England, he still insisted that this "strange Circulation between Colony and Colony" began and ended with Great Britain so that the French proverb which he loved to quote was made good, "That one Hand washes t'other Hand, and both Hands wash the Face." (29) Few contemporaries criticized the Navigation Acts and those who did, notably Coke, the author of 'Britannia Languens' and Sir Matthew Decker, seized on the restrictions on British trade with Europe and attacked the dearer ships and dearer freight charges which resulted from the monopoly conditions created by this legislation. (30) The author of 'Britannia Languens' regarded the

27. Mercator, No. 33, Aug. 8, 1713

28. Ibid, No. 169, June 22, 1714

29. Atlas Meritimus, p. 328.

30. R. Coke, A Discourse of Trade (1670) pp. 26-29, England's Improvements (1675) p. 44. 'Britannia Languens' in J.R. McCulloch, ed. Early English Tracts on Commerce pp. 326-330.

plantation trade as far less valuable to the nation "than the same People and their Labours at home" but both Coke and Decker approved of the reservation of the colonial trade to British or colonial shipping and of its compulsory circulation through British ports. (31) Decker declared that he was aiming to destroy the manufactures already begun in the colonies and to cause "a prodigious Demand for our own" when he proposed "that all unmanufactur'd Growths whatsoever, and Bar Iron may be Shipp'd in America on board any Ship belonging to British Subjects, residing in Great Britain or Ireland ... and may be carried to any part of Europe directly, provided the Master takes out a Licence under ... The Commissioners of the Customs ... that Bond has been given that no Manufactures shall be taken on board at any Plantation, and that the Ship shall proceed directly and then proceed to Great-Britain or Ireland before she returns to any British Plantation." This free market for the foodstuffs and raw materials of the colonies would completely divert them from manufactures, "the only thing in which our Interest can clash with theirs." (32) Even Adam Smith considered defence more important than opulence (33) and L.A. Harper has concluded that the Navigation Acts did much to develop England's entrepot trade and that they were successful in achieving the ends they were designed to accomplish, of fostering English shipping, training English seamen, developing

31. J.R. McCulloch, op. cit., p. 413; R. Coke England's Improvements, (Treatise IV) pp. 79-80.
32. Sir M. Decker, An Essay on the Causes of the Decline of the Foreign Trade ... (1744), pp. 106-107.
33. A. Smith The Wealth of Nations.

English shipbuilding and preserving English trade." (34)

More recently, R. Davis has stated that the Navigation Acts "played a major part in protecting English industry's colonial markets from the effective competition of European manufactures" and has asked "if the English colonial and North European trades had been largely in Dutch hands - and the English shipping industry therefore less than half its actual size - is it not a real possibility that the French navy would have been stronger at critical times ...?" (35)

One obvious reason for the importance which Defoe ascribed to shipping was the earnings from the freight charges which could turn what was considered an adverse trade into one which was profitable. He used this argument against his opponents in the controversy about the commercial treaty with France: "Were it true, as these People say, that we lose great Sums by the Ballance of Commodities between the Nations, which it is manifest we do not, yet even with that Loss ... we were better with the Trade than without it, considering that at the same time we keep at home our Goods and our Ships." As "all Charges, upon all kinds of Goods, is paid by the Consumer," he included not only the freight on England's home growth and manufactures, but that on plantation goods and all goods that were re-exported, "as well to England, as from England to France." Claiming that it had been estimated that the trade with France employed a thousand British ships, he suggested "if those Ships are reckoned in, which bring the Goods to

34. L.A. Harper, The English Navigation Laws (New York 1939) pp. 375-378.

35. R. Davis, op. cit., pp. 393-394.

England which are re-exported to France, perhaps the Number may be right," although he was ready to accept only half the above number. But as so often, when he became fully involved in a pamphlet war, he tried to "have his cake and eat it." Even if the French did not in fact pay most of the freight charges, the trade could still be profitable because of the employment of British shipping and "every way equal, in the Ballance of Trade, to the Export of all the rest of the Goods we send, both in the Consumption of the Produce of Land, Number of People Employ'd, Annual Gain, and other Advantages to the Nation, and yet no real Value deliver'd out." If this were not so, he asked "why the Trade for Coals from Newcastle to London, is esteemed so very great an Advantage to this Nation, tho' the Freight of all the Shipping is paid by ourselves?" (36)

He complained that the British people did not have "a true Notion among them of the great Advantage" which navigation was to the kingdom. Most of the French trade, "both out and home" was carried on in British shipping, to such an extent that if "a small French Bark" was seen in any British port it was not one in thirty, "perhaps not One to Fifty" of the number of British ships that sailed to France. This quite turned "the Scale of the Ballance of Trade" for the outward freight, entirely paid by the French, was "Gain'd by that Article of all our Commerce" which it was "most to the Advantage of Great-Britain to Gain by, (viz.) Our Navigation." Although the inward freight was "paid by ourselves," the use of so much British shipping employed so many families and encouraged so

many other trades that it was "not to be equalled by any Particular in which the Nation is Employ'd, unless we set the whole Woollen Manufacture against it." France being so near, each ship might make several voyages, as many as seven, eight or nine. As "all the Shipping and Seamen" employed in bringing the tobacco exported to France from Virginia to England were "in effect paid by the French," the same was true of all the shipping and seamen employed in catching and curing the fish which was sent to France. (37) Thus the British trade with Holland, which was generally acknowledged to be advantageous to Britain was "nevertheless much less so" because it was chiefly carried on by Dutch ships to such a degree that Dutch warships had been used throughout the Spanish Succession War to convoy them from the Thames, the Humber and the Firth of Forth to Holland. (38) This led him to these three observations:

1. That foreign Trade, which would otherwise be carried on to the Disadvantage of a Nation, as to the Ballance of Trade, may yet be turned to their Advantage, by being wholly carried on in their OWN SHIPPING.

2. That Trade which on the other hand, would be to their Advantage in Ballance, may be to their Loss if carried on in the Shipping of another Nation.

3. That Nation which has or employs no Shipping of their own in any particular Trade, maintains the Shipping of that Nation which Trades with them as far as that Trade Employs them." (39).

Shipping was even more profitable than his cherished woollen industry:

"For there is a manifest Difference between the Employing our Shipping and Seamen, and other of our Works or Manufactures, which may Employ the same Number of People; because the encrease of

37. *Ibid.* No. 49, Sept. 15, 1713.

38. *Ibid.* No. 50, Sept. 1713.

39. *Ibid.* No. 49, Sept. 15, 1713.

Shipping is an addition of Wealth, which, as it is peculiar in its Uses, so it can be raised no other way.

... the setting a Ship out to Sea, which may cost One thousand Pound, Employs more Families of Poor than one thousand Pound can Employ in any particular Manufacture in the World.

Sir Josiah Child, who all People allow to have been a good Judge of Trade, was wont to have this Expression, That a Ship was the best Woollen Manufacture in the Nation.

But if it be true, that a Thousand Pound laid out in a Ship Employs so many Hands in Building and Fitting out to Sea, how must we consider this Ship when it is at Sea, and becomes a Habitation and a stated Employ for about 15 or 16 Families, as long as it remains a Ship? So that every Ship is a little Town added to the Commonwealth; which Town is Peopled by our Inhabitants; but those Inhabitants are Fed, Clothed, and made Rich by other Nations."

Fitting out a Ship for each new voyage created further employment and he considered that the earnings of his "Wooden Towns" went "as far to Support the Publick Stock" and was "as much Gain to the Kingdom of Great-Britain, as all the Woollen Manufactures they carry in them." Ships were so advantageous to the nation that "every Trade that does employ them is our Advantage to Cherish and Embrace; Nay, altho' there were no other Profit in that Trade." Even sailing in ballast could be beneficial. Because British goods were sent to France "by many different Hands, the Exporters of them being not always (in truth not often) the Importers of the other," more ships were required for the trade. "The Ships who fetch the Wine go but to one or two Ports, and the Wines and Fruit must be brought in their Season; so that those Ships go generally in their Ballast, and carry but very few Goods, which makes the Number of Ships which the Trade Employs be much the greater,

because the Number of Ships being Employed in any Trade is a National Advantage; ... (40) The Dutch were "content with many Trades, in which the chief Gain is in the Employ of their Shipping." Although he had previously considered that the British had an advantage over the Dutch in that they had so much more of their native product and manufactures to export, he now declared "Give but Great-Britain a Patent from Heaven that there shall be no other Ships Employ'd in Europe but ours, we may agree to leave off Merchandizing, turn Carriers, and give up all the Foreign Trade of the World." As it was, since Britain had "the greatest Trade of any Nation in the World," her navigation was "even now equal to One Third part of our Commerce." (41)

Despite the above remarks about sailing in ballast, Defoe was usually well aware of the importance of return cargoes. (42) When the "British Merchant" emphasized the difficulties which English woollen exports were facing in northern Europe, Defoe admitted that England did not send as much cloth to Danzig in British ships as formerly, but that this did not imply any decline of the English woollen manufacture for much English cloth reached the Baltic markets in Dutch ships. He regretfully conceded that the Dutch could "Buy our Goods here, carry them over to Holland, and from thence to other Countries, and yet Sell our Goods at those Countries cheaper than we." Indeed, he seems to have accepted this situation because he was always

40. Ibid., No. 51, Sept. 19, 1713.

41. Ibid., No. 52, Sept. 22, 1713.

42. Supra, pp. 273-274.

resolutely opposed to any reduction in the quality of British goods in order to compete in a foreign market, "to make good the Deficiency of our ill-manag'd Navigation, and other Improvident Circumstances of Trade." Because the Dutch sent "several hundred Sail of Ships to Dantzick, every Year for Corn," they could "carry our Cloth for little or nothing Freight." In addition, "they go to Sea in Ships, which do not cost them above two Thirds, or perhaps, half so much as ours in Building and Fitting out; Sail at lower Wages, are Cheaper Furnished, and make use of fewer Hands." (43) Although he recognized the exact nature of the Dutch advantage in freights, he continued, unlike Coke and Decker, to support the English Navigation Acts in each area of trade, not only in the plantation trade. On the other hand, the importance of shipping made him see the necessity for a large import trade to maintain the sale of British exports. "If we had not by our Numbers of People, and our Manner of Living in England, a vast Consumption for the Goods which we import from all Parts of the World, our Manufactures would find a great Check abroad in their Sale; and in particular our Navigation would be entirely ruin'd, since that Nation, that can only freight her Ships out, and bring little or nothing home, can never employ Shipping on an equal Foot with her Neighbours; the back Freight of all our Ships being the Encouragement of their Voyages, the Charge of which must else lye wholly on the Manufactures exported." (44)

43. Review, Vol. II (No. 16) pp. 61-62; Cf. A Humble Proposal pp. 17-18; Atlas Maritimus p. 125.
 44. Ibid, Vol. IV (No. 6) pp. 23-24.

Defoe also fully understood the importance of shipbuilding as a "multiplier," in the stimulus which it gave to employment in so many other trades. (45)

"The Influence which One Ship has upon Trade, take it from the Stocks to the setting Sail, is hardly to be imagin'd, ...

The Merchant ... agrees with the Shipwright; there's the Master-Builder, his Servants, hired Carpenters, Caulkers, Joyners, Carvers, Painters, Smiths, and several other Tradesmen maintained in forming the bare Hulk before she comes off the Stocks.

The Landed-Interest comes in here for a supply of Materials, as Timber, and Plank, and Iron; ... besides the Horses Employ'd, ...

When the Ship is to be Launch'd, ... there is the Norway or West-India Trade Employed to furnish spruce Plank for her Decks, Masts and Yards, and Deals to compleat her for Use; as also Pitch, Tar, Oyl, Tallow, Rozin and Brimstone for the Caulkers; for paying Graving, etc. Smiths-Work in abundance, and Iron for Ring-Bolts, Dead Eyes, Nails, Plain-Bolts, Hinges, Chain-Plates, ... besides Anchors at last, Iron-Guns, Shot etc.

When she is to be Rigg'd, the East-Country comes into the Account for Hemp, for Cordage, Cables, standing and running Rigging; the East-India Trade is concern'd for Salt-petre, for Gun-powder. And this Paper would hardly contain the several kinds of poor Trades Employ'd by the Ship-Chandler, Compass and Instrument-Maker, Block-Maker etc.

Our new Manufactures come in for Sail-Cloth; the Boat Builders Employ many of these over again to Build them a long Boat, a Pinnace, and a Scift.

Being thus Rigg'd and Furnish'd, she must be Mann'd; and when the Seamen come on Board, the Slop-seller is the Hand who supplies a Number both of Woollen and Linen Manufactures for the convenience of the Sailors,

.....

The Victualling of the Vessel is the last part, in which the Landed-Interest of the Nation is again concern'd; ... so that in what part of the World soever they are, the Men are all Fed upon our own Provisions, Consume our own Produce, and help us to pay the Rent of our Lands.

Thus not a Ship goes to Sea but by the help of thousands of our People: No Manufacture in the Nation can equal it for the number of Poor that are employed by it; nor is this once and there's an end, as in the case of other Manufactures, but when she is Built and Employed, she is a Milch Cow to the poor Tradesman, and is sure every Voyage to pay her Tythe to them all over again: Wherever she receives her Freight, she is sure to spend a great part of it among her first Godfathers.

Wapping and Rotherhithe, Ratcliffe and Limehouse, Deptford and Blackwall feel the effect of this Truth." (46)

In January 1705, Defoe devoted three consecutive issues of the 'Review' to the problem of manning the navy in the renewed struggle against France. Acutely conscious of the damage done to British shipping by French privateers and always hoping that Britain would use her naval power to seize unoccupied Spanish territory in Chile or Patagonia, he wanted to ensure that the navy was at maximum strength. He believed that Britain's mercantile marine, engaged in fishing, coastal and overseas trade, gave her an ample reserve of trained manpower provided that adequate arrangements could be made to mobilize it whenever there was a threat of war. The successes against the privateers at the end of the Nine Years War and during the first two years of the Spanish Succession War gave no hint of the heavy toll which Forbin, St. Pol and Du Guay-Trouin were to take of British shipping during the next few years. (47) He claimed that trade flourished because of this apparent success, that marine insurance rates and freight charges fell and that there was a real possibility that the high wages

46. Mercator No. 52, Sept. 22, 1713.

47. J.H. Owen, The War at Sea under Queen Anne (Cambridge 1938), pp. 62-66.

of seamen in the merchant service would soon have been reduced. This was to Defoe the crux of the problem, leading to "Pressing, Dragging, and Forcing Men into the Service of their Country, which ought to be made desirable to them." Among the "Innumerable Ill Consequences" were seamen securing their release by bribery after they had been seized, men withdrawing into the country until the fleets were out and a "General Dislike of the Service." The existing system was equally unsatisfactory to the government who were put to a large expense in small boats in their efforts to seize men from homecoming ships, in the cost of ships being half-manned until the crews were completed and "Ruine and Disappointment to all the Great Designs of our Governours, for want of having our Fleets ready in time." "'Tis evident," he pointed out, "That while the Queen's Pay on Board the Fleet, is 23s. per Month, and a Common Sailor can have 45s. to 3 Pounds per Month afore the Mast in the Merchants Service, we must reckon that Seaman Mad or Drunk, who will quit the Merchants Service at 50s. per Month, to be knock'd on the Head to the Tune of 23s." (48) He estimated the loss from privateers at £30 million and claimed that Britain had lost "more Money by the Extravagant Wages to Seamen, than by all the War". (49) Much of this was a repetition of the views which he had put forward eight years before in 'An Essay upon Projects'. Then he had also noted the cost of "keeping the whole Navy in constant Pay and Provisions all the Winter, for fear of losing the Men against Summer," which he said had been the practice for

48. Review Vol. I (No. 90) pp. 373-374.

49. Ibid, (No. 91), p. 377.

several years. (50) Adding the "Charge of Pressing on Sea, and on Shore," "Ships lying in Harbour for want of Men" and "Bounty-Money and other Expenses, to court and oblige the Seamen," he arrived at a total estimate for the cost of recruitment during the Nine Years War of £3 million. He put the burden on trade from high wages in the merchant service during this war at £20 million, instancing the £9 a voyage on colliers compared with 30 shillings before the war, which, at eight hands to a vessel, gave him a figure of £896,000 a year extra wages in the coal trade alone. On other ships, foremast-men, who had previously sailed for 26 shillings per month were now paid 50 to 55 shillings and the merchant was subject to "the Insolence of the Seamen" who were "not now to be pleased with any Provisions." Yet these extravagant wages were not caused by "a real want of Men," but indirectly from the system of recruitment for the navy, "for in the height of a Press, if a Merchant-man wanted Men, and could get a Protection for them, he might have any number immediately." (51) These rates were to apply to all overseas trade but not to the coasting and home trading.

Defoe's solution was a proposal that the government should "take all the seamen in the Country into its employ, either "within the Jurisdiction of the Court of Admiralty" or under an independent commission "subject only to a Parliamentary Authority." There should be a branch office in each seaport where seamen would enrol and receive 24 shillings per month, if an able seaman, with half pay when unemployed "and liberty to work for himself, only to be at Call of the Office, and leave on a

which were to pay 20s per cent on the value of the ship and

50. An Essay upon Projects, p. 315; J.S. Bromley and A.N. Ryan in The New Cambridge Modern History, Vol. VI, p. 824.
51. An Essay upon Projects, pp. 314-316.

account where to be found." Masters of merchant ships would hire seamen from the office, "where wou'd be always Choice rather than Scarcity," on clearing the custom house, "all liberty of Choice to be allow'd both to Master and Men." They would pay the office 28 shillings per month for each seaman, the extra 4 shillings to be used to meet the cost of half pay. As this reduction of wages would reduce freight charges to their former level, merchants were to pay a tax of 40 shillings per ton of freight, based on the wine tonnage from the Canaries, and half this rate in peacetime. He gave figures of the freight charges from Jamaica, Virginia, Barbados and Oporto to show that these were almost three times their former rate. In addition, merchants should pay four per cent on the value of all goods exported or imported to provide insurance cover for all the losses on both goods and ships, the national maritime commission being responsible for arranging convoys. This rate was to be based on the risks of the voyage to Barbados with variations on other voyages. These rates were to apply to all overseas trade but not to the coasting and home fishing trades. Finally more regular protection should be given to the coastal coal trade, with warships "continually cruising from Station to Station" between Tyne and Thames. Therefore, individual ships would no longer need to wait for convoys and "would be able to perform their Voyage in as short a Time as formerly." This and the lower wages would enable them to sell their coal at a profit in London at 17 shillings per Newcastle chaldron. To defray the cost of the naval guard, the collier ships were to pay one per cent on the value of the ship and

10 shillings per chaldron, with a fixed price at the Pool in London of 27 shillings, or 30 shillings "at the Buyer's House," which was "cheaper than ever was known in a War."

As all the seamen in the kingdom would be "the King's hired Servants, and receive their Wages from him, whoever employed them," no seaman would ever be unemployed, which would also "prevent their seeking Service abroad." While they were on half pay, they might be employed in repairs or other jobs about the dockyards. No sailor could desert because there would be no alternative employment as a seaman. "If a Fleet or Squadron was to be fitted out, they would be mann'd in a Week's Time, for all the Seamen in England would be ready" for it was not "an Aversion to the King's Service" nor fear of danger which made "Seamen lurk, and hide, and hang back in Time of War" but the low wages in the navy which far outweighed any inducements such as bounties. Seamen would benefit from the general reduction of wages to those current in the navy, coupled with security of employment, because at present they were often "idle on Shore out of Pay" and the high wages had "not visibly enrich'd the Sailors." The closing argument was that "we should be able to outwork all our Neighbours, even the Dutch themselves, by sailing as cheap and carrying Goods as cheap in Time of War as in Peace ... For what could the Dutch do in Trade if we could carry our Goods to Cadiz at 50s. per Ton Freight, and they give 8 l. or 10 l. and the like in other Places?" (52)

Defoe ended this section of the 'Essay on Projects' with the remark that he rather wished than expected to see it undertaken, but his articles in the 'Review' in January 1705 came to the notice of the Select Committee of the House of Lords appointed on 23 November 1704 to consider the state of the nation in relation to naval affairs. On 20 January 1705, the Committee ordered the printers of the paper to give notice to the author to attend them on the 23rd. Defoe was before the Committee on the 25th., when he asked for time to prepare his scheme, which he eventually submitted and this paper was read by the Committee on 10 February. Because of the lateness of the session and because he was unable to supply full details, probably those promised in the plan, consisting of "a table of regulations, differences, averages, stoppages of pay, methods of discharge, rules of subordination, allowance to seamen abroad, orders for dismissal of men at delivering ports, trading voyages, rules for the seamen in case of the loss of ships abroad and all the proper niceties of trade," the Committee decided to send his paper to the Lord High Admiral, Queen Anne's husband, Prince George of Denmark, and Defoe was given the time for which he had asked to prepare his scheme completely before the next session of Parliament. (53)

He offered two schemes. The first proposed that wages in the merchant service should be limited by legislation and that the parish officers of the poor should be empowered to maintain

53. Hist. MSS. Commn., Report, MSS. of the House of Lords, Vol. VI (New Series) 1704-6. (1912), p. 116.

the families of men who volunteered for the navy, the payment to become a pension to the dependents if he should be killed. This money was to be repaid out of the treasury of the navy. He claimed that at present the parish officers hindered many thousands of able-bodied men from entering the service "to prevent their wives and children becoming chargeable to the parish" and that his plan would produce "at least ten thousand able bodied landmen... on any emergency for the public occasion without force, charge or oppression." (54) The words with which he introduced his second method, "in all its parts superior to any yet practised either here or abroad" suggests that he may have heard of the 'Inscription Maritime,' "the most remarkable administrative innovation of the age," introduced by Colbert in 1668-73. All French seamen or fishermen were compulsorily registered and, in general, each class was liable for call-up every fourth year. There was half-pay for the reserve until 1683 and a portion of a naval seaman's pay was paid to a seaman's dependants when he was called up. Yet the French register of 55,790 in 1690 failed to produce enough for line-of-battle requirements of 23,175 whereas the irregular British methods raised 48,000 men, more than half the number of native seamen, in 1694-1696, although the peacetime establishment was only 10,000. A further inducement for the French sailor was two months' advance pay, but England and Holland had much larger pools of seamen. (55) Characteristically Defoe thought

54. Ibid., pp. 223-224.

55. The New Camb. Mod. History, Vol. VI, pp. 821-823. Chapter XXII, section 3, Navies, by J.S. Bromley and A.N. Ryan.

that there must be 200,000 English seamen, more than double the actual number. (56) Voluntary enlistment could not produce a four-or five-fold increase in the peacetime strength of the navy, but England's naval bureaucracy was not large enough to administer Defoe's plan of a national register of seamen, which was also advocated by George St. Lo, a dockyard commissioner, and Burchett, secretary of the admiralty. A voluntary register established by parliament in 1696 only produced 17,000 names by the end of 1702 and was abolished in 1710 when it was discredited by the discovery that certificates of registration, protecting the holder from pressing, were being sold. (57)

Defoe also proposed that seamen who were maimed in the merchant service should have the same provision as those in the navy, but this was notoriously inadequate throughout the century. (58) Referring to this plan in a much later pamphlet, he claimed that another of his suggestions was "travelling Pay to return home when unship'd, or to go to the Port when shipped where the Ship would lie". He also added that "Hospitals should be provided, for taking Care of our poor sick Seamen" and other hospitals "to relieve at least, if not to maintain the Widows and infant Children of such Seamen, as died abroad in Service, as well in Merchant Ships as in the Royal Navy." (59) Although England had so far followed the example of Spain as to have five hospital ships in commission by 1703, she lagged behind France and

56. An Essay Upon Projects, p. 331.

57. The New Camb. Mod. History, op. cit.

58. Hist. MSS. Comm; House of Lords MSS.

59. Some Considerations on the ... Necessity of Encreasing and Encouraging the Seamen (1728).

Spain in providing special naval hospitals. Again Defoe may have been influenced by French practice, for Colbert's "Caisse des Invalides" provided pensions for widows. (60) Finally, Defoe had urged that landmen should be recruited in the proportion of one in ten and that the merchant navy should be obliged to employ this quota, the new recruits being given permission "to work for their own account" while serving on half-pay. This would have given England "a supply of Seamen for any emergency" and she would have been able "to man out a formidable Fleet in a shorter Time than any other Nation in the World." The 30,000 men in service or on call, three times the normal peacetime strength of the navy, "might be all shipp'd in fourteen Days time at farthest." (61) But none of these later suggestions in this 1728 pamphlet appear in the outline of his plan in the House of Lords papers and they may have been afterthoughts.

In the absence of any such system of mobilization, "no Undertaking of Importance, and which requir'd extraordinary Expedition, could be enter'd upon, till a sufficient Number of Men could be procured." Moreover, he estimated that above 50,000 seamen had been lost during the two long French wars between 1688 and 1713. Other reasons for the fall in the number of seamen were the superior attractions of foreign service, as with the Czar of Russia, "the tempting Profits of going upon the Account ... in which horrid Employment ... many thousands of our Seamen have engag'd since the late War" and the "happy Encrease of Commerce" since the return of peace. Among the

60. The New Cambridge Mod. Hist., ^{Vol. VI} op. cit., pp. 825-826.

61. Some Considerations on the ... Necessity of ... Encouraging the Seamen. pp. 38-39.

trades which called for more seamen were the Greenland fishery, the white fishery at Newfoundland, the fishing off New England, the trade of the whole island of St. Kitts, the Jamaica trade because of the Assiento, the trade with the American colonies because of the encouragement given to the production of naval stores and the East India trade where there were now "forty to fifty Ships constantly abroad together" in place of the former five or six. Therefore the twin problems of fully employing all the seamen if their numbers were successfully increased and the competing claims of defence and trade engaged his attention most: "To encrease the Number of Seamen without finding them Employment, would be to bring a Rent-Charge upon the Nation, like a Work-house full of Poor, with nothing for them to do." He decided that it was impossible to satisfy the conflicting demands of both war and trade, "that as, in time of War, the Public entertains and employs fifty or sixty thousand Seamen, and in time of Peace none at all ... (or) very few; how is it possible Trade should either have Men enough in time of War, or not too many in time of Peace." Therefore, he thought that "Trade must suffer" from any effective proposals to increase the number of seamen, from the higher taxes on trade to maintain men on half pay when they were reservists.

Although he considered that the seamen had an obligation to serve the nation, that they were in fact "the Government's Servants," he was well aware of their grievances which, as they continued unremedied, were to produce at the end of the century the mutinies at Spithead and the Nore. If they were unemployed, and they declined "the Public Service," they should be brought

in by force, but he pointed out that their pay had not been raised since the reign of Charles II and that this amounted to a fall in their real wages, especially those who had families to support although they were "the most to be depended upon for the Service." There had been large increases in the price of "Provisions, Cloathing, and almost all necessary things," largely because of the additional indirect taxation to meet the cost of the wars against France. He proceeded to show how the seaman's lot was worse than that of other poor who were not "separated from their Mother Soil" whereas the former laboured "in a comfortless, unproducing Element." The poor Cottager and Labourer," he insisted, "can glean his Corn, brew his Beer, raise his Poultry, keep a Cow upon the Common, and a Hog in his Yard, can Dig and Trench in a little Enclosure for his Vegetables, gather and cut his Fewel on the Heaths ... But the poor Seaman buys all with dead Money, gain'd at the Hazard of his Life." In addition, they had to buy their "clothes, bedding, and other Necessaries" and they suffered from the "Cheats and Frauds of their Officers, as in particular the Allowance of their Provisions, as to Quantity, and sometimes in the Quality also, especially ... abroad." In almost every kind of employment, wages had risen, except for the poor seamen who were not only the nation's servants, but "their best Servants." Because of their poverty they were driven "to anticipate their Pay by borrowing Money before-hand" at extortionate rates of interest, so that their pay was reduced by one-quarter or even by one-third. (62) This analysis of conditions in the royal navy exposed most of the causes of the famous mutinies of 1797 over

half a century before they occurred, but his suggestions for reform proved stillborn.

From the supposed observations of Sir Walter Raleigh onwards, the pamphleteers who bemoaned the decay of the British fishing industry variously emphasized four features of this unpardonable neglect. Most culpable was the failure to develop one of the chief British natural resources to the utmost, by allowing the Dutch to establish their herring fishery in British waters and to remove the fish from under their very noses. Thomas Mun referred to the Dutch "serving many places of Christendom with our Fish." (63) Matthew Decker said that Britain was surrounded by "the greatest Fishery in the World." (64) As late as 1723 it was claimed that the Dutch raised more wealth by the herring fishery in one year than the king of Spain had from the Indies in four and that "all their Greatness in the East Indies" was the product of this fishery which, in British eyes, they had usurped. (65) One item in God's unparalleled bounty to these islands was being strangely neglected. "'Tis Wonderful to think," wrote James Whiston, "how several sorts of Fish in vast Numbers at certain Seasons, visit our Coast by Divine Appointment and Natural Instinct for our Sustenance, and Day by Day are ready ... also to be made Merchandize of to the Inriching of the Nation." (66) Davenant could only explain this "most unaccountable negligence ... to share with our neighbours in that immense treasure with which nature has

63. T. Mun, 'England's Treasure by Forraign Trade' in J.R. McCulloch, op. cit. p. 130.
64. M. Decker, An Essay on the Causes of the Decline of the Foreign Trade (1744), p. 42.
65. The Interest of Great Britain Consider'd ... (1723) title page and pp. 10-11.
66. J. Whiston, The Mismagements in Trade Discover'd ... (1704) p. 7.

enriched our coast" by suggesting that for the previous century, "wealth did flow in so fast upon us, that we had no occasion to be more industrious." He expressed the frustration which so many Englishmen felt at the Dutch success by contrasting their supposed disadvantages in the trade with the superior situation of the English and Scots. The Dutch were forced to begin their fishery each year "above 200 leagues from home, and to do all at sea" so that every barrel of herrings cost them 6 shillings. The English fisherman might "lie in their own beds every 24 hours, and yet catch as many herrings in a month as the Dutch in three months and thus deliver herrings "at 12d. and sometimes at 6d. per barrel." (67)

Contemporary writers also emphasized the possibilities of employing the poor ashore by exploiting the English fisheries. Carew Reynel claimed that "the Herring Fishery would employ nigh half a million of People more, both by Sea and Land," (68) and another author argued that "ten thousand Pounds adventured in the Fishery employs more People than fifty thousand Pounds in any other Trade, whatsoever, the Cloathing excepted." (69) Thirdly, the large exports of fish would exert a decisive effect on the balance of trade, particularly where that was at present adverse. Thus Carew Reynel wrote, "Fish is it self as good as Silver, to fetch in any other Commodity we want, from any other Nation: and the most certain salable Commodity to all our neighbours that can be produced." (70) Davenant agreed that

it "would set England right with most countries where the balance

67. C. Davenant, 'Discourses on the Publick Revenues and on Trade,' Works, op. cit., I, pp. 426, 429-430.

68. C. Reynel, The True English Interest (1674), p. 27.

69. The Interest of Great Britain Consider'd, p. 24.

70. C. Reynel, op. cit., p. 27.

is thought to be against us" (71) and therefore was in favour of developing the fisheries even if the English should fish dearer than the Dutch by 5 or even by 10 per cent. The anonymous writer of 1723 was more explicit. "Piscation will bring all Foreign Commodities in upon the truck, which we now pay ready Money for; from Spain and Portugal in Return for dry'd Fish, you will bring Wine and Oyl; besides a great deal of Money in Moidores and Pistoles; from the Baltick ... Polish Dollars and Hungary Guilders; from Germany Rixdollars, Russia will warm us with its Furs; Sweden will supply us with Copper; Denmark and Norway will furnish Materials for our moving Fortresses; Asia will refresh us with Spices; thus by the Exportation of our Superfluetoes, we import Necessaries." (72) But the most important consideration of all was strength at sea, power as well as profit, in that the fisheries were generally regarded as the nursery of seamen. Davenant's remark that "all states are powerful at sea as they flourish in the fishing trade" was being repeated even in 1732 by Peck. (73) The author of "Angliae Tutamen" thought it "highly unreasonable that the Dutch (whom I love as our Neighbours and Allies) should come on our Coasts and take our Fish" and thus breed up "great Numbers of Seamen" (74) but until the 1730s were supplied, but seventeen years later he repeated the charge and added that Defoe accepted some of this doctrine about the value of fisheries but with significant reservations. He agreed that "it is most certain that no Nation under Heaven is so accommo-

71. C. Davenant, Works, *op. cit.*, I, pp. 428-429.

72. The Interest of Great Britain Consider'd, p. 25.

73. C. Davenant, Works, *op. cit.*, I, p. 414; Mr. Peck, Some Observations for Improvement of Trade ... (1732) p. 8.

74. Angliae Tutamen (1695), p. 33.

dated for the Fishery as the People of Great Britain: the Wealth of the two Indies may be said to be brought home to their Doors: the Herring and the White Fish are caught nowhere but upon their Coasts, or upon the Coasts of their Colonies, and the Whale Fishing lies fairer to them, and nearer to their Hands, than to any other Nation who have means to undertake it." (75) Possibly to establish a prior claim to the herring trade, or unable to accept that the Scots could ever have failed to exploit such a great potential source of wealth, he argued that "the Scots had formerly the whole Herring Fishery; the Dutch and Easterlings, ... came upon the Coast, and bought the Herrings upon the High-Sea of the Scots Fishermen, just as we go to Newfoundland, and buy Cod-fish of the Bankers or Fishermen, who Cure them there - To this Day, I believe, the Trade had remain'd to the Scots had not their own Folly loaded the Trade with such an Inconvenience, as made it intolerable to the Dutch." (76) He claimed that the Dutch only began to fish themselves when they were unable to buy the herrings from the Scottish fishermen "while they were new taken and among the Salt." In 1711 he appeared to reject the allegation that the Royal Burghs ordered that no foreigner should be allowed to buy any fish until the burgesses were supplied, but seventeen years later he repeated the charge and added that "the Dutch the next Season fitted out Busses, furnish'd themselves with Nets." Although the British, after the union of the crowns, tried to establish a legal claim to the herring

75. Atlas Maritimus, p. 103.

76. Review, Vol. VIII, (No. 13) pp. 49-50.

grounds under the emerging code of international law, the Dutch proved "too strong to be beaten out of a Trade so much to their Advantage." (77) In marked contrast to most of his contemporaries, however, Defoe did not accept these British claims to ownership of the fish:

"... when ever we have thought fit to Quarrel with the Dutch, this is trump'd up upon them, as one Clause; and the great Crime the Dutch are Guilty of, is, That they Fish on our Coast - Or ... They Fish in our Seas; a Pretence about as Honourable, as our Attempt upon their Smyrna Fleet in Days of yore, was, whose only Offence was, That they Sail'd through the Channel, or in English, that they came where we thought we might catch them - Tho' we failed in that too. (78)

... I never yet saw that Point determin'd, how far any Man, or Nation, could claim a Right to this or that part of the Sea, exclusive of another: ... The World, God in his Providence determin'd for the Use of Man, ... But we find no Possession given him of the Sea ... He gave him no Property of the Sea itself, only a Dominion over the Fish, that is, ... just as the Tenants of the Manour feeds in common upon the wast, ...

The Sea seems to me to be the great Common of all the Creation; all have a Right to Range in it, none have an Exclusive Property to any part of it; the Fish were given to Man in general, ...

... I do not see how we can Quarrel with the Dutch for Fishing on OUR SEAS as we call them - The Sea is theirs as well as ours ... I should be glad to see all our Pretenders to the Right of Fishing, come and shew us the Bounds of their Property, ..." (79)

He continued to be realistic in his attitude towards the North Sea herring fishery. Two years before his death, he disclaimed any support for projects to "set up the Fishery by Companies and Societies, which has been often attempted and

77. Atlas Maritimus, p. 103.

78. Defoe always condemned this attack on the Smyrna fleet in 1672; 'Reasons against a War with France' (1701), A True Collection Vol. I, p. 184.

79. Review, Vol. VIII (No. 13), pp. 50-51.

and has proved abortive and ill-grounded; or that we ought by Force, or are able by all our Advantages to beat out the Dutch from it; yet we might certainly very much enlarge and increase our own Share in it; take greater quantities than we do; cure and pack them better than we do; come sooner to Market with them than we do; and consume greater quantities at home than we do; the Consequence of which would be that we should breed up and employ more Seamen, build and fit out more Fishing-Vessels and Ships for Merchandise." Apart from recognizing the superior organization of the Dutch fishery, he thought the Dutch had "one infinite Advantage" which was never likely to be surmounted. This was the fact that they drew their chief supplies of corn and naval stores from the Baltic whereas most of the English and Scottish ships would be obliged "to go light Home at last". This "dead Freight" would seriously reduce the profit from the voyage "tho' our Fish were every way equal to the Dutch, which yet we cannot affirm, and though it came as soon to Market, and carried as good a Price there, all which I fear must a little fall short." (80)

Defoe was thus as eager to develop the fisheries in home waters as any of his countrymen, but he thought that these were already more extensive than the popular jeremiads of the day indicated. He rejected one estimate of 60,000 last taken by the Scottish herring fishers as more than the average Dutch annual catch, but he accepted the much smaller figure of 60,000 barrels. The red herring of Yarmouth and Lowestoft he placed at 40,000 barrels a year, mostly exported to Holland, France,

Spain and Italy, and those taken in the Bristol Channel, "on the Back of Devonshire and Cornwall" at 12,000 barrels. (81) He claimed that the total catch of herrings was "much more in the Whole than the Dutch ... by a great many thousand Barrels." (82) This seems like another of Defoe's exaggerations for at the end of the seventeenth century the annual Dutch catch of fish was said to be 300,000 tons, worth £6 million, "easily the greatest branch of European commerce." But he was writing in 1728 when the Dutch herring fishery was declining, to such an extent that the total catch in 1750 was only "a fifth of what it had been in its prime." The Dutch suffered so much from the Dunkirk privateers that Scottish exports of herring to one of their principal markets, the Baltic, exceeded those of the Dutch during the Spanish Succession War and after 1713 the Scots gained entry to the former Dutch markets of Hamburg and Bremen. (83) The herring caught in the Thames estuary and the Channel were mostly consumed at home, especially in London, but Defoe noted another large export of fish in the pilchards of the Dorset coast and the southern shores of Devon and Cornwall, generally sent to Spain, Italy and the Levant. These were "almost as peculiar to Great Britain as the Herrings" and were cured by packing and pressing like the herrings of north Devon and Cornwall, instead of by smoking as at Yarmouth. (84) In his 'Tour', he frequently referred to local fishing trades, as the oysters and sole at Wivenhoe and Colchester, the mussels at Ipswich, oysters again at Feversham and also

81. A Plan of the English Commerce, pp. 177-178; Atlas Maritimus, p. 104.
82. Atlas Maritimus, p. 104.
83. J.M. Price, chapter XXIII, The New Cambridge Modern History, Vol. VI, pp. 847-848.
84. Atlas Maritimus, p. 104; A Plan of the English Commerce, p. 178.

at Poole and mackerel at Bridport, but he did not see much prospect of further development of the herring fishery. (85) Twenty years earlier, he had observed that he had not been able to share in the great expectations which had been entertained at the time of the Union negotiations in the future development of the Scottish herring fishery:

"I confess, I was more silent in the Matter of the Fishery, than any Body; and tho' I was industrious to my Power in laying before the Scots the real Advantages of Trade by the Union, yet I was never very full of the Fishery ... because I was never for offering imaginary Advantages to the Scots, but real Ones; ...

1. I see a great many Impracticalities in the Way of the great Advantages, which we are told, the Herring-Fishing might rise to, and I do believe, Subscriptions, Companies and Stocks put into it, would all be ineffectual; that the Scots do already carry that Trade on the best Way it can be done, and within a small Matter to the full Extent it can be improved to, unless some Obstacles were removed, which it is not in the Power of all our Projectors to overcome; ...

2. I did not urge this, ... because in the other Part of their Fishing, which I allow may be improv'd, yet I am satisfy'd, it cannot be done without the Concurrence of English Stocks, and English Application; ..."

This "other part" was the white fishing off the north and west coasts of Scotland, one of the two branches of fishing on which his future hopes were centred. If the English could overcome their prejudice against the Scots, against "Presbyterian Fish," and furnish the necessary capital and enterprise, there was no reason "why we should not remove all our Newfound Land Trade to the North West of Scotland - The Fish is the Same, the Voyage shorter, the Shore better, the Curing easier, and the Quantity as great." (86) The

85. A Tour ... I, pp. 11, 12, 42, 111-113, 208, 214.

86. Review, Vol. IV (No. 159), pp. 634-635.

previous month, he had argued that in place of the numerous complaints about losing the Newfoundland trade to the French, it might now "with infinite Advantage" be entirely abandoned, and the French fishery there destroyed "in the most effectual Manner" and at "half the Time and Expence." (87) He told his readers, "I wish it were not only lost to you, but entirely destroy'd, and would GOD in his Providence forbid the Fish coming to the Banks, you ought to petition her Majesty for a Procession to St. Pauls and a Day of Thanksgiving for so signal a Blessing." (88) Five years later he was still hoping for "an Encrease of the Fishing Trade in Scotland, where we have the Indies at our Door; but suffer our Neighbours to carry away the Wealth of it; and where all our Clamours about the Newfoundland Trade might be easily answered, as to wish those Banks 200 Fathom deeper in the Sea, and that Island along with them." (89) By 1728, although he had not entirely abandoned his hopes for the Scottish white fish trade, noting that there were "several Proposals on foot for farther encreasing the Scots Fishery," he was forced to admit that it was not "improv'd to the Extent, as it might be, for want of sufficient Adventurers!" (90) Attempts by public companies had been made abortive by "the Ignorance ... of the Managers of those Stocks." In addition "the English are no great Eaters of Fish, there is but little consum'd on Shore, the Quantity is not considerable enough to furnish much for Exportation, and our Share in the Fisheries of

87. *Ibid*, (No. 149), p. 595.

88. *Ibid*, (No. 159), p. 634.

89. *Ibid*, Vol. IX (No. 57), p. 114.

90. A Plan of the English Commerce, p. 179.

Newfoundland and New England, supplies the Demands of the Merchants." (91) Mrs Schumpeter's statistics show the slow progress of the white fish industry in home waters. From 1714 to the year of Defoe's death, exports of cod only averaged just over £6,500 and this figure was inflated by the two exceptional years, 1725 and 1723, when £27,102 and £13,231 worth were sent abroad. Even if the figures for miscellaneous fish exports, which would include large quantities of oysters and salmon, are added, the average annual value is only a little over £15,000, whereas herrings at £83,000 and pilchards at £51,000 accounted for over half and more than one-third of total fish exports respectively. (92) The acquisition of Newfoundland by the Treaty of Utrecht put an end to his misgivings about that fishing trade and by 1728 he was reporting that 200,000 quintals of fish were cured each year at Newfoundland and New England, that most of it was sent to Spain, Portugal and Italy and that the English fishing on the Grand Banks had increased. (93) His comments on the Newfoundland fishery reflect its fluctuating fortunes. Throughout the seventeenth century the West country fishermen had made little progress and towards its end they were visibly losing ground both to the French and to the New Englanders. Although the English government still regarded the trade as a most important training ground for seamen, the fishermen considered themselves fortunate if they made one good voyage in three years. The French employed more ships and more men for they had the advantage in capital resources, lower production costs, in methods of curing the fish with a better grade of salt, larger and better-built

91. Atlas Maritimus, p. 104.

92. E.B. Schumpeter, English Overseas Trade Statistics 1697-1808, Table VII, pp. 19-20.

93. A Plan of the English Commerce, pp. 179, 205.

ships and earlier deliveries to the chief markets in the Mediterranean lands. During the Spanish Succession War, when Defoe was making his observations in the 'Review', the English fishery at Newfoundland was in worse plight "than at any other time in its history." There was slow recovery after 1713, "the development of the offshore fishery on the Newfoundland Banks" being the most significant change. It was 1722 before prosperity returned but in 1724 about 200 British ships employing over 3000 seamen were engaged in the trade and "the season of 1728 was the best in fifteen years," although the French trade also continued to grow. (94)

Defoe was less envious of Dutch success in the herring fishery than his contemporaries because he did not regard the fish as British property because he thought that the British fishing was much more extensive than they feared it was, and because he believed that Britain had an ample reserve of naval manpower if it could be mobilized, but he never ceased to regret the British failure to re-establish themselves in the Greenland whaling industry, the other branch of the fisheries where he hoped for striking progress. "The English were the first that ever attempted to sail among the monstrous Islands of Ice" and "discovered Greenland, as we call it, or Spitzbergen, as other Nations call it." They became "very destrous Harponiers" and it was from them that "the Hollanders, Bremers and Hamburgers learn'd it." (95) In 1714 he had been uncertain

94. R.G. Lounsbury The British Fishery at Newfoundland 1634-1763 (New Haven, Conn. 1934), pp. 108-114, 162-168, 176, 184-193, 211-212, 227-233, 243-251; J.M. Price, op. cit. pp. 848-850.

95. Atlas Maritimus, p. 105.

of the exact date when this English whaling began, ascribing it "to Queen Elizabeth's time, or to some part of King James the First's time" but maintained that they had "a flourishing Trade" until 1640. The check which had been caused by the Civil War was followed by decline during the first Anglo-Dutch war: "The Dutch by several steps taken in the time of the Parliament-Dutch War, ... first ruin'd our Trade to Greenland; they having always a Squadron of Men attending their Fleet, we could not appear in those Seas, our Trade not being so great there as to make it worth our Concern to defend at that price."

(96) When he came to write his long introduction to 'Atlas Maritimus,' he followed the account given by Henry Elking, "a Merchant of Bremen," in the pamphlet which he had published in 1722. (97) The English had begun the trade, "with but few Ships" in 1598 and in 1612, "the Hollanders, according to their known encroaching Custom, ... sent the first time to Spitsbergen." He quoted Elking's figures that during the fifty years from 1675 to 1725 the Dutch had sent 6995 ships, killed 32908 whales and brought back to Holland 1,250,714 puncheons of train oil and 40 million pounds weight of whale fin, worth £14,000,000.

(98) Elking had added that "their Darling Trade," the spice trade was less advantageous than the Greenland fishery because their East India goods were bought with money whereas the fishery was "carried on by a continual Circulation of Commerce."

(99) An attempt to recover the trade had been made in 1694, by the Greenland Company, consisting of "eminent Merchants,"

96. The Mercator, No. 132, March 27, 1714.

97. (Henry Elking) A View of the Greenland Trade and Whale-Fishery ... (1722)

98. Atlas Maritimus, p. 105.

99. H. Elking, op. cit., p. 39.

but "wanting due Information of the proper Methods for managing the whole Affair, they were imposed upon by almost all the People they employed, both at home and abroad." On the other hand, if the last ship sent out by the company had not ventured too far into the ice, after killing eleven whales, the company would have remained profitable. (100) In 1714, Defoe had despaired of future success, reporting that "we now send not One Ship to Greenland ... or perhaps are ever likely to meddle with it again, (101) but the proposal that the South Sea Company should try to re establish its fortunes by using the powers granted in its charter to recover the whaling trade soon captured his interest. In the first volume of his *Tour*, published in 1724, he urged the claims of Ipswich, then said to be less prosperous than in the previous century, to be the home port of this trade. "No place in Britain," he argued, "is equally qualified like Ipswich; whether we respect the cheapness of building, and fitting out their ship and shalloups; also furnishing, victualling, and providing them with all kind of stores; convenience for laying up the ships after the voyage; room for erecting their magazines, ware-houses, roep-walks, cooperage, etc. on the easiest terms; and especially for the noisome cookery, which attends the boiling their blubber, which may be on this river, (as it ought to be) remote from any places of resort; Then their nearness to the market for the oil when 'tis made, ..." In the preface to his second volume, however, he reported that the Company had fitted out "a fleet of twelve great ships ... built new from the stocks" but had made the

100. Atlas Maritimus, p. 105.

101. Mercator, No. 132.

great wet dock between Deptford and Redriff the centre of their operations. (102) Despite the previous failures, he maintained that the English could "carry on this Trade as much to Advantage as the Dutch, or any othe Nation, whatsoever." Apart from the natural advantages for shipbuilding which he believed England enjoyed, he pointed out that the Dutch were obliged to hire some personnel for their whalers outside Holland and that these men were "as easy to be found, and as cheap to be hired by the English." The provisions on board the English ships were better, "and the Allowance larger," yet the wages of English seamen were lower than those of the Dutch, 24 to 26 or 30 shillings per man compared with 30 to 36 or 40 shillings. The Greenland voyage was also easier from England so that he calculated that an English ship would sail at least £50 cheaper than a Dutch vessel. The South Sea Company would also enjoy the tariff advantages granted to the last company by Parliament. Finally, he concluded, "we have paid to the Hollanders in about half a Century of Years, since we quitted that Trade, some Millions of Money for those Commodities, which our own Men might have fished up out of the Seas, A Treasure taken up out of the Sea, is a Treasure gain'd; ... we bring from Greenland no Goods but what we can sell to several Markets of Europe for Money, or have such Merchandize for 'em, as we should otherwise be oblig'd by our own necessary Demand to buy for Money abroad. For all which we carry out nothing of Value but Provisions for the Men, which they might be supposed to consume at home,

102. A Tour, I, pp. 44, 252; II preface.

if they did not go at all; especially when our own People come to be wholly employ'd." (103) In the last year of his life, he was still hoping that the company would be successful in this enterprise, whereas he had serious doubts about its Assiento contract. Although the English had had only "Neighbours Fare" to date, one good year in the whaling would make full amends for earlier disappointments. "It is a kind of an uncomfortable Commerce," he observed, "which is liable to miscarry four, five or six Years together, and only lives in hope of now and then a prosperous Year: But yet this must be said for the Greenland Trade; as likewise for the Assiento Trade, that as they both employ a considerable Number of Ships and Seamen in Business which for us employ'd none before, so if the Company were to carry on those Trades without any Gain, only that they did not lose, it would be a Gain to the Publick Stock of the Nation, so that the Company may possibly do good to the Trade in General, when they do none to themselves." (104) Yet he was able to contemplate further failure in the latest whaling venture because he was again looking to the colonies for an expansion of Britain's trade. Writing of the American mainland colonies, he reported, "One of the greatest Improvements they have made in these Colonies is the Whale Fishing ... which will in time make the British Nation less miss the Gain of the Greenland Fishery than they would otherwise do, tho' the Attempt lately made in England should not succeed." He estimated that colonial exports of train oil already amounted

103. Atlas Maritimus, pp. 135-136.

104. The Political State of Great-Britain, Aug. 1730, p. 129.

to 2000 tons a year and the whale fin to 15 or 20 tons. (105)

In July 1730, he noted that from Delaware Bay to New England the whale fishing was increasing greatly while the Greenland fishing seemed each year to become more and more difficult. (106)

The loss of this whale fishery to the Dutch, like the decline of British commerce with Russia and Norway produced many complaints of British mismanagement, usually blamed on the grant of exclusive rights to the companies which undertook these trades. (107) Even that champion of the East India Company in which he was so powerful a figure, Sir Josiah Child, condemned chartered companies except where there was "a necessity of maintaining forces and forts." He declared, "the Dutch, tho' they have no East-land-Companies, yet have ten times the trade to the East parts as we; ... And for Russia and Greenland, where we have Companies ... our trade is in effect wholly lost, while the Dutch have, without Companies, increased theirs to above forty times the bulk of what the residue of ours now is." (108)

Defoe, however, always thought that monopoly powers were necessary to develop difficult trades or those in which Britain faced strong competition from other nations. Therefore, he supported those granted by Parliament to the Greenland Company in 1694 and subsequently transferred to the South Sea Company for its whaling venture. (109)

105. Atlas Maritimus, p. 326; Cf. A Plan of the English Commerce pp. 179-180.

106. The Political State of Great-Britain, July 1730, p. 20.

107. R. Coke, Discourse of Trade preface; T. Baston, Thoughts on Trade, and a Publick Spirit, (1716), pp. 3-4, 31.

108. Sir J. Child, A New Discourse of Trade, (1693), p. 113.

109. Atlas Maritimus, p. 136.

No pamphleteer has left us so full an account of the English coasting trade before the later eighteenth-century improvements in inland transport began to change the whole direction of internal trade, because no other contemporary writer attached so much importance to the home trade. He believed that more than 100,000 seamen were regularly employed "in the several Coasting Trades of England, including the Coal Trade, Salt Trade, Corn Trade, with the constant Carriages of Shop-keeping Goods ... including the British fisheries." (110) This figure was many more than the total employed in the whole merchant service (111) and is only notable as an indication of his estimate of the volume of the coastal shipping. Indeed, he added that the numbers of ships, boats and seamen were "hardly to be computed" because almost every sea-port town in the country was "more or less employ'd in furnishing or carrying something or other for the Supply of the City of London." The most important of the above trades was of course that from "the Colliery" the Northumberland and Durham coalfield, which, he said, carried coal as far west as Portsmouth. So large was this trade that "at a time of urgent Necessity, the Colliery alone has been able to supply the Government with a Body of Seamen able to man a considerable Fleet at a very short Warning, and that without any Difficulty." (112) From Michaelmas to Lady Day, however, the great collier-ships were laid up and he claimed to have seen "perhaps two hundred" of them moored in the river at Ipswich, which had formerly owned as many as 100,

110. Ibid, p. 107.

111. R. Davis, The English Shipping Industry, p. 389.

112. Atlas Maritimus, pp. 107-108.

the largest proportion of the vessels engaged in this trade. . . . Here also the biggest ships had been built and so well constructed that they often "reigned" 40 to 50 years or more. The least of these colliers carried 300 chaldrons of coal and the largest 340, which implied a ship of over 400 tons. He disputed whether the port had actually declined and spoke of the "pretended decay" but admitted that he had been told "that there were now scarce 40 sail of good colliers that belong'd to the whole town." Any decay had begun after the third Anglo-Dutch War when captured Dutch flyboats were bought cheap by Yarmouth and London merchants and used in the coal trade but he thought that the chief reason for the decline in Ipswich's share of the trade was "the neighbourhood of London, which sucks the vitals of trade in this island to itself." There were "many good seaports and large towns, tho' farther off than Ipswich, and as well fitted for commerce, . . . swallow'd up by the immense indraft of trade to the city of London; and more decay'd beyond all comparison, than Ipswich . . . as Southampton, Weymouth, Dartmouth, and several others." Those towns which had actually increased "in trade and navigation, wealth and people" had some particular trade which was "a kind of nostrum to them, inseparable to the place" like the herring-fishery to Yarmouth and the coal trade to Newcastle. (113) He thought that Yarmouth had replaced Ipswich as the centre of the collier-shipping but added that Whitby had lately become famous "for building the best and strongest Ships for the Coal-Trade." But for the bar at the mouth of the Wear, he reported, the coal trade of Sunderland "would equal, if not exceed that of Newcastle: for not only great

Quantities of Coal are found upon the Banks of the River Weer,... but they are the best Kinds of Coal too, as those in particular call'd Lumley Coal, and which are dug in the Lord Lumley or Earl of Scarborough's Park near Chester in the Street." The poor keelmen were sometimes drowned in taking coal to the ships which were smaller than the Newcastle vessels because they had to lie in the open road. They had, however, one advantage in that they could sail as soon as they were loaded whereas on occasion the Newcastle ships could not clear the Tyne because of contrary winds "so that it has been known, they have gone away, deliver'd their Coals at London, and beating up against the Wind in their Return, have gotten back to Sunderland, before the Ships at Shields, which were loaden at their coming away, had been able to get over the Bar." (114) The recent increase in the coal trade of Whitehaven had made it "the most eminent port in England for shipping off coals, except Newcastle and Sunderland, and even beyond the last, for they wholly supply the city of Dublin, and all the towns of Ireland on that coast; and 'tis frequent in time of war, or upon the ordinary occasion of cross winds, to have two hundred sail of ships at a time go from this place for Dublin, loaden with coals." Although the town was "yet but young in trade, the large number of ships had led them into "merchandizing" so that there were now "some considerable merchants." The other coal ports were all in South Wales, namely Tenby, Neath and Swansea, the last exporting coal and culm "to all the ports of Sommerset, Devon, and Cornwall, and also to Ireland itself, so that one sometimes sees a hundred sail of ships at a time loading coals here." Yet Pembroke

114. Atlas Maritimus, pp. 2,4-5. For Whitby, cf. 'A Tour' II, p. 247.

was "the largest and richest, and ... the most flourishing town of all S. Wales" with "a great many English merchants, and some of them men of good business" and "near 200 sail of ships." (115)

The coasting trade in salt attracted his attention because this was a new trade, the rock salt not having been discovered in England "much above twenty years" and because it had led to improved curing of herrings and thus increased the demand for them in foreign markets. (116) From Warrington on the Mersey, "the Rock Salt is chiefly carry'd to most of the Ports in the Severn Sea, as well as in the Channel, where it is reduc'd to Brine, mix'd with other Sea Brine, and boil'd again into a stronger Salt, which we call Salt upon Salt. And this is done at Biddeford, Ilfracomb, Barnstaple and all other Towns on the Coast of Devon, for the Cureing Herrings, ... as they say equal to the Dutch; as also at Dartmouth, Weymouth, and other Towns in the Channel, and at Colchester." The large coasting trade from Swansea "for Culm and Cinders" in which over 300 ships were employed was partly for producing this salt and for making malt as well as "common Use." (117)

In the 'Atlas' he gave most space to the coastal trade of the western ports, particularly those of the south-west:

115. A Tour, II, pp. 273, 55, 57.

116. Ibid, I, p. 261.

117. Atlas Maritimus, p. 108.

"There is also a considerable Number of Coasting Ships always going to and from London on the following lesser Trades; such as supplying the Shopkeepers on those Coasts with what we call heavy Goods, as Grocery Ware, Oil for the Manufactures, Lead, Iron, Flax, Hemp, Wine, Pot-Ashes, and the like. These Traders chiefly belong to Dartmouth, Pool, Weymouth, Lyme, Topsham, Exeter, Plymouth, Falmouth etc. From Topsham they have a very great Employ for Shipping to London, not only for bringing Bale Goods, such as Serges, Perpets, and other Manufactures made at Exeter, of which great Quantities come by Sea in times of Peace but for a dark Trade of another Nature, namely for Cider, which comes from that Part of Devons call'd the South Hams, on the side of St. Mary Aubry, and between that and Exeter, of which I am assur'd that in a plentiful Year they bring no less than 20,000 Hogsheads to London."

This was "a dark Trade" because much of this cider was used to adulterate wine and was sold again "to the honest Wine Drinkers of London at 20d. per Quart in the common Draft of Wine in our Taverns." The rest was supposed to be distilled into spirits or brandy. Lyme, Plymouth and Dartmouth also sent cider to London. (118)

From these south-western ports block tin, copper and copper ore, "the Product of the new and much improv'd Mines" were also sent to London, but he noted that the tin was from Cornwall, not one tin mine being at work in the whole of Devon. (119) "Also from Westchester many Ships come to London, wholly laden with Cheshire Cheeses; as they do from Bristol with Battery, Glass Bottles, Flint Glass, Window Glass, and sometimes West-Indies or Plantation Goods, as Sugars, Indicoes, Cottons etc. as the Markets may differ from one another." All these ships went back with goods that were too heavy for land

118. Ibid

119. A Tour, I, p. 266.

carriage and "Shopkeepers Goods," especially foreign imports, except those returning to Bristol which was the only port besides London which had a sufficiently large and varied foreign trade to import its requirements from abroad directly. (120) London was thus the distributing centre for both home and foreign merchandize.

The corn trade brought "a continu'd Throng of Coasting Vessels in the Thames, from all the East and South Coast of England, ... not reckoning the Upper or Inland Navigation of the Thames it self, ... with Malt and Meal, Timber, Fire-Wood, Cheese, Butter, Bacon, and other Provisions for the City of London, all by flat-Bottom Barges, some of which are so large as to carry above 100 Ton Burden, that is from 1000 to 1200 Quarter of Malt: All which Vessels go back generally laden with Coals and other heavy Goods." Therefore, he concluded, the coasting trades were "many ways very advantageous to Great Britain, as they were "our principal Nurseries for Seamen" and as they provided so much employment for both men and ships. Thus the three coal trades of Newcastle, Swansea and Whitehaven together employed 1500 ships "besides the vast Numbers of Keelmen, Watermen, Lightermen, Bargemen, etc. employed by that Trade afterwards," when the coals were transferred into smaller vessels "to be carry'd by River Navigation higher up into the Country." (121)

Despite his desire to abolish pressing by a naval register, he found the final proof of the immense greatness of the British

120. Atlas Maritimus, p. 108.

121. Ibid.

trade in the comparative ease with which the Admiralty could expand the fleet in wartime so that "with very little Compulsion, and less now than ever," it was able "to man any Squadron of Ships of War; nay, if need be, the whole royal Navy with unexampled Expedition." "If the King," he continued; "wants 20000 to 30000 Seamen for the Fleet, they are always to be had; the Trade supplies them, and the continued Train of homeward bound Ships produces them, and yet the Merchants always find Men for their Business; on the other hand, if Peace returns, and the Royal Navy lies up, if 20000 Seamen are dismiss'd and paid off, they are gone in a few Minutes, they find a Birth, (as they call it) in Trade, the Merchants fit out the more Ships, and good Seamen never want Business. This could never be, if the British Trade was not a Prodigy for its Magnitude; ..."

By contrast, the French King had to "oblige all his Merchant Ships to carry more Men than their Complement ... and besides that, a certain Number still more upon the King's Account, and paid by the Royal Treasury," in addition to inviting Irish and Scottish sailors to serve in his fleet. Even the Dutch were "oblig'd to stop their Greenland Fleet, and even sometimes their Herring Fishery, or, at least, to shorten the Number, in order to man their Fleets." The English, on the other hand, "some small Embargoes excepted, for a Week or ten Days at a Time, never put a full Stop to any general Head of Trade, for want of Seamen; on the contrary, in the hottest Press, ... they grant Exemptions and Protections, upon the ordinary Representations of the Merchants and of the Cities and Towns; as, to the Coal Trade from Newcastle, the Mackrel and Herring-Fishing Smacks in their Seasons, and to their outward bound

Merchants on many Occasions." (122)

Finally, in one of the juxtapositions which he loved, he linked manufacture and navigation in a mutually beneficent circle of trade.

"Trade is the Wealth of the World; Trade makes the Difference as to Rich or Poor, between one Nation and another; Trade nourishes Industry, and Industry begets Trade; Trade disperses the natural Wealth of the World, and Trade raises new Species of Wealth, which Nature knew nothing of: Trade has two Daughters, whose fruitful Progeny in Arts may be said to employ Mankind, namely,

MANUFACTURE
and
NAVIGATION

See how they unite their Powers to do good to the World, and to teach Men how to live happy and comfortably; ... in the only Means of living comfortably, I mean Diligence, for a Life of Sloth and Idleness, is not Happiness or Comfort; Employment is Life, Sloth and Indolence is Death; ...

MANUFACTURE supplies Merchandize.

NAVIGATION supplies Shipping.

MANUFACTURE is the Hospital which feeds the Poor.

NAVIGATION is the Nursery which raises Seamen.

MANUFACTURE commands Money from Abroad.

NAVIGATION brings it Home.

MANUFACTURE loads the Ships out.

NAVIGATION loads them in.

MANUFACTURE is Wealth.

NAVIGATION is Strength.

To conclude, Manufacture for Employment at Home, and Navigation for Employment Abroad, both together, seem to set all the busy World at Work; they seem to joyn Hands to encourage the industrious Nations, and if well managed, infallibly make the World rich." (123)

122. A Plan of the English Commerce, pp. 125-126.

123. Ibid, pp. 51-52.

MONEY, BANKING, INSURANCE AND PERSONAL CREDIT

Ian Watt has seized on Defoe's attitude to money as a significant demonstration of the secularisation of Puritan thought during the half century after Milton, Bunyon and Baxter. He points out that all Defoe's heroes pursue money very methodically and "keep us more fully informed of their present stocks of money and commodities than any other characters in fiction" but to make them embodiments of economic individualism seems to be an over-simplified reading of Defoe's outlook. (1) Admittedly, Captain Singleton described gold as "the Makebait of the World" (2) but this is more an illustration of Defoe's realism than a proof that his thought was dominated by the philosophy of the counting house. Rejecting the accusation that he was a hireling who wrote for bread, he claimed that the last part was true of all other occupations. "Thus the Lawyer pleads for his Bread, the Soldier fights for Bread," the Musicianer fiddles for Bread, the Players act for Bread, and ... the Clergy preach for Bread - And where is the Man does any thing, or will do any thing but for Bread, that is, Gain?" (3) Again, Captain Singleton is counselled by the Quaker William that he is now rich enough to abandon his piratical career for "most People leave off Trading when they are satisfied with getting, and are rich enough; for no body trades for the sake of Trading, much less do any Men rob for the sake of Thieving." (4) Defoe

1. I. Watt, The Rise of the Novel (1957), p. 65.
2. Captain Singleton. (Everyman 1963 reprint of first edition of 1720) p. 115.
3. Review, Vol. VII (No. 17), p. 65. Cf. The Commentator, No. XVIII, Feb. 29, 1720.
4. Captain Singleton, pp. 309-310.

(1) See the excellent discussion of Defoe's outlook in I. S. Novak, Defoe and the Rise of the Novel (Cambridge, Mass., 1954). (2) Captain Singleton, p. 115.

believed that men usually followed their own advantage, that "Self-Love's the Ground of all the things we do," (5) but he did not think that human happiness necessarily followed and he was not aware of any unseen hand which reconciled individual selfishness with the public welfare. (6) At the time of the South Sea Bubble he observed that the desire for gain tended to grow with increasing wealth:

"Some of our very rich, over-grown Gentlemen, who have got immense Estates by Stock-Jobbing, yet have a Taste of getting Money, such a hankering eager Desire that nothing should go beside them, that they cannot bear to see any Body get Money but them selves: And some of these Men have not been ashamed to countenance and appear at the Head of these Bubbles, and even to espouse and own them; and that some of the most scandalous ones too.

.....
 There's a strange Charm in this Sort of Trade of getting Money; they never surfeit of the Quantity, never weary with the Labour. Avarice has a kind of natural Assurance with it, ... So true it is, that the Love of Money increases with the Money ... The Philosophers by their self-denying Examples; the Clergy, by their rigid Constitutions; and all the Oratory, whether of the Ancients or the Moderns, have made but very little Impressions upon the Minds of Men in this Particular. While Avarice is rooted in Nature, and the Desire of getting increases as the Gain increases, Men had as good hold their Tongues to talk against getting Money, for they are sure to have no Body to mind them."

He was well aware of the danger which faced the Puritan that his legitimate devotion to his calling would degenerate into sheer acquisitiveness: "Besides, there is so little visible Difference between the lawful Applications of Industry and Business, and the unlawful Desires after exorbitant Wealth, that Avarice has as many Ways to creep out of the Scandal, as it has Ways to creep into the Mind. Every Man's Business in the World, is to increase and improve his Fortune: And getting

5. Jure Divino (1706) Book IV, p. 8.

6. See the excellent discussion of Defoe's outlook in M.E. Novak Economics and the Fiction of Daniel Defoe, (Berkeley, California 1962).

Money is so general a Duty that it seems to be one of the Ends of Life, ... The Confines of Virtue reach to the Frontiers Under the Disguise therefore of Industry, and Diligence in our Calling, all the Exorbitances of Crime are conceal'd; and the Devil maintains his Empire in the World: ..." (7)

So powerful was this mercenary humour that he declared that people pursue money "over all the Hedges and Ditches, Law, Government, Religion, Conscience or Honour have laid in their way." In the same realistic vein, he proceeded to give numerous instances of the corrupting influence which writers had ascribed to money, "especially in ancient time, for of late they grow wiser: " " How it unlocks Cabinets, discloses Secrets, betrays Councils, buys Blood, and sells Friendship: How it takes the most impregnable Fortresses, ... reduces Kingdoms, routs Armies, and conquers even Victory it self: ... How it prompts all Undertakings, oils the Wheels of every Action ... How it creeps into every Profession, Bribes Judges, corrupts Juries, suborns Evidences, reprieves Rogues, and hangs innocent Men: ... How it buys Places, sells Voices, procures Favour, makes Beggars Lords, and Blockheads Counsellors: ..." He obviously regarded this as rhetoric for, in marked contrast to the poets who had cursed "the very Metal," he claimed that money was "a harmless passive Element" and that the same strictures could be applied to other species of money such as beads or vitrified sand. He concluded, "'Tis the Man is the Monster; the Devil lies in his Nature, not in the Oar; 'tis the Heart,

not the Mountains of Potosi; that contain all the Seeds of Mischief." (8) In the next volume of the 'Review', he returned to the theme of the pervasive influence of money in the world as it is. "... 'Tis for thee the Mighty sell their Rest, their Peace, and their Souls in Quest of Crowns and Conquests. They talk sometimes of other Trifles, such as Liberty, Religion, and I know not what; but 'tis all for Thee. I never knew but two Exceptions in our Histories, viz. Gustavus Adolphus and King William." While this was partly an ironical attack on the values of the age for the two rulers were his Protestant heroes, he recognized that the acquisition of money was bound up with the institution of private property and, as a faithful follower of Locke, he added "the Answer is ready, where Money is legally obtain'd, it must be legally obtain'd again; Subjects honestly labouring, honestly possessing ought to be left quietly enjoying what they are Masters of; and this is the Foundation of what we call Law, Liberty and Property, and the like modern Words very much in Use; this is the End of Parliaments, Constitutions, Government and Obedience; and this is the true Foundation of Order in the World, and long may it be our Privilege to maintain it." (9)

Money had displaced barter in economic transactions because it was the most convenient measure of value and the essential medium of exchange, particularly of foreign exchange, so that it had become "the general denominating Article in the World."

8. Review, Vol. III (No. 4), pp. 15-16.

9. Ibid, Vol. IV (No. 106), pp. 423-424.

"The Great Medium of Trade, is what I call Money; which, let the Species be what it will, supplies the Defects of every Country in their Produce, and brings all Trade, one way or other, to a Balance or Equality.

Something is always requir'd to Balance Trade in General, when Nations or Countries send more of the Growth of their Soil, or Manufacture of their People than they call for in value from them: this must be balanc'd by something equivalent in Value; and that is MONEY.

Nor is it always requisite that this Something should have an intrinsick Value in it self; we find the Money of some Countries made of the most contemptible Trifles, which nevertheless serve all the Ends of an Intrinsick Species in Trade, between all such Countries where that Trifle obtains; but then the Advantage is vast and unreasonable between these Countries and others, where the Species of Money bears a different Respect.

In the Case of our Traffick with the Negroes; this is very obvious, when on the Coast of Africa, they willingly Barter their Gold, as a useless Trifle to them, for the much more valuable Toy of a Cowry or Little Shell, fit here only for the use of our Children, ... 'tis demonstrable that 'tis not the real Value that qualifies any thing to supply the place of a General Medium of Trade; but the Custom, Opinion and Usage of the Place; and the imaginary Worth, as sufficient to establish it to the due end of Trade, as the real Worth of any thing else would be, according to 'Hudibras,'

'What is the Value of a thing,
Just as much Money as 'twill bring.' "

The precious metals, however, because they were "the finest, purest, and most incorruptible of all Metals," indeed "the Sovereigns of Metals," had become generally accepted as "the General Medium of all Trade," which fixed "a Value by their own upon all other Species." The "Great Machine of Trade" turned upon this axis of money, so that all goods, "whether paid for in Specie, or Balanc'd by other Goods," were exchanged according to their monetary value." (10) Money, he added,

10. Review, Vol. III, (No. 3), pp. 9-10. Cf. A Fifth Essay, at Removing National Prejudices ... (1707) p. 14 "Money is an Intrinsick, plac'd as a Medium in the Center of Trade, to supply the Differences in Value, between the Export and Import of one Nation to and from another."

"supplies all the Disproportions of Commerce, and brings all matters, between Man and Man, to a stated Equality." Barter could not be used for "Universal Commerce" because the goods offered in exchange for a particular commodity might not be acceptable to the seller. Therefore, it was necessary to have something always available which everyone would accept, "and with the Tender of which, I may be sure to obtain what ever I want; something that, as Solomon says, will Answer all things, that will never be a Drug, and which being Superior to every thing, will always secure a Man against wanting, what his Necessities call for; otherwise a Man may be rich in Value, and be Starv'd for want of Bread; he may have Bales of Silk, Packs of Wool, Piles of Linnen, and heap of Drugs, and yet not be able to Buy Bread, because Corn happening to be scarce at that time, and every body Stock'd with the other, no body will Barter with him." Money was thus superior to barter because of its liquidity but, particularly in world trade, it must have an intrinsic value, because the exchange value of other substances, such as cowrie shells, was not current outside that particular region. Because the silver and gold coins of the several countries were alloys of varying standards of fineness, exchange rates developed, but the following echo of Gerard de Malynes, a century earlier, was probably prompted by Defoe's antipathy towards financial speculators of any kind: "Infinite Variation, and Inscrutable Niceties attend this Article of Trade, ... unknown and unforeseen Accidents of Trade make it rise and fall; and it is so far from a constant observing the Real Value of Species, that it becomes especially of late Years, a Slave to

the Projecting Broker, and the overgrown Cash of some Rich Merchant, who by the Quantity of Money, that he pleases to draw or remit, shall at any time so influence the Price of the Exchange, as to make it fall or rise to his own private Advantage; ..." (11)

In his ideas about money, as in his political ideas, Defoe probably owed much more to John Locke than to Malynes. Before the recoinage which began in 1696, the number of clipped and counterfeit coins in circulation made the nominal value of the currency £1 million more than its true worth. (12) As a Puritan, Defoe emphasized the immorality of using false and imperfect money but the great inconvenience to trade was equally important. Writing twenty years later, he maintained "that calling in the old money in the time of the late King William was an act particularly glorious to that reign, and in nothing more than this, that it deliver'd trade from a terrible load, and tradesmen from a vast accumulated weight of daily crime; there was scarce a shopkeeper that had not a considerable bag full of false and unpassable money; ..." (13) William Stout observed that clipping frequently reduced the weight of silver coin by at least a third and that people were "cautious in setting a price of their goods without knowing in what money they should be payed." (14) Unfortunately, the recoinage did

11. Ibid (No. 4), pp. 13-14.

12. E. Lipson, The Economic History of England, III, p. 78; C. Wilson, England's Apprenticeship 1603-1763, p. 220.

13. The Complete English Tradesman, Vol. I (172) p. 241.

14. The Autobiography of William Stout of Lancaster 1665-1752, edited by J.D. Marshall (Manchester, 1967) pp. 108-109; also p. 97.

not entirely remedy the shortage of silver because it was still undervalued at the Mint compared with gold and some coin was melted down and exported, apart from the drain of silver to the East. (15) In 1726 Defoe deplored the appearance of "a great deal of counterfeit foreign money, as particularly Portugal and Spanish gold, such as Moydores and Spanish Pistoles" but also "a great encrease of late of counterfeit money of our coin, especially of shillings." He urged that every man should immediately destroy any base money which came into his possession but thought that "a general Act, obliging all tradesmen to suppress counterfeit money" would be necessary. (16) His concern for the intrinsic value of the currency led him to accept Locke's arguments in the celebrated controversy which developed when the philosopher attacked the proposal by the Secretary of the Treasury, William Lowndes, to raise the extrinsic value of the English coinage. Condemning rulers for altering the value of their coinage "to their private Gain, and the Peoples Loss," Defoe continued "but the proportions of their Coin to other Countries they can never govern; Exchange is sullen and unalterable in its nature; ... and will rise or fall to or from every place, as the Coin of that place maintains or sinks the Value of the Species; ... those Gentlemen that in late Times were for lowering our Standard of Coin, either did not know, or did not consider, that by consequence they would have altered the Rates of all our Manufactures at home, and turn'd the Stream of all the Exchanges of Europe against us, which in general run now to our Advantage; ..." (17) He ignored the fact that English

15. C. Wilson, *op cit*, p. 328.

16. The Complete English Tradesman, I, pp. 243-247.

17. Review, Vol. III, (No. 4) p. 15.

exports would be cheaper abroad and concentrated on the drop in the exchange rate because those English goods would exchange for a smaller quantity of imported commodities. Moreover, it was not easy in a pre-industrial economy to achieve a much higher output of manufactured goods and Defoe consistently argued in favour of maintaining a high standard of quality of English manufactures, preferring a smaller sale at a high price to any attempt to extend the sale of English goods by a cheaper and inferior product. (18)

At the same time, he was opposed to any over-valuation of the currency because of its adverse effect on the sale of British goods abroad. In his campaign for the commercial treaty with France, he argued that the existing limited trade produced a favourable balance and that this would increase rapidly once the treaty were ratified. (19) Therefore, he seized on the report that 100,000 guineas "coin'd out of French Gold" had been taken to the Bank of England from the Tower mint in one week, rejecting, for greater credibility, the claim that 600,000 guineas had been coined from French specie during the preceding ten months. He tried to show that this was the result of the favourable balance of trade and not the case that French livres were being attracted by the high price of gold in London. Claiming that it was this favourable balance which reduced the exchange rate of the French livre so that it was worth "little more than 12d. Sterling," he denied that Englishmen could buy

18. Supra, pp. 153-154

19. Infra, pp. 708-709

French specie "cheaper than its Intrinsick, which alone could be the reason of its coming out of their Country as a Merchandize: On the contrary, the height of their Gold not only keeps their own Gold at home, but is a means to carry foreign Gold to them, tho' bought too dear." He cited as a parallel the high price of gold in London in 1695, before the recoinage of 1696, when the value of the guinea rose to 30 shillings. (20) This "brought over infinite Quantities of Gold in Specie, and our Ignorant British Merchants, tho' (thought) we must be mighty rich, and it must be a gainful Trade when they saw the Gold come tumbling in upon us, and would fain have had the Guineas establish'd at that Price, which by this time would have ruin'd us all." The consequence was that "our Manufactures were bought by Foreigners, and paid for in Gold, the Gold they paid for them being sent in Specie, and costing those Foreigners near 40 per Cent less than it went for here; so that no English Merchant could send any Goods abroad, the Dutch out-sold us 20 per Cent at Cadiz in our own Goods, ... and in time all our Substance must have been transported to Holland, while we had been fill'd with Gold at Six Pence an Ounce. But the Parliament redeem'd us by reducing the Guineas at once to their old Price; which altho' it pinch'd us hard at first, and many lost great Sums by it, who had Quantities of Gold by them, yet all People were satisfied with it at last:" (21) In the last sentence, Defoe shows that he was not unaware of the part played by the deflationary recoinage, which followed Locke's victory over

20. E. Lipson, op. cit. III, pp. 78-79.

21. Mercator, No. 175, July 5 1714. See also No. 91, Dec. 22, 1713 and A Plan of the English Commerce, p. 47.

Lowndes, in aggravating the economic depression at the end of the Nine Years' War. (22) Generally, he favoured a limited inflation rather than deflation and he wrote enthusiastically about England's large internal trade, but here the effect on the foreign exchanges rather than the level of domestic demand was obviously uppermost in his mind. If the English guinea had continued to be valued "above the Intrinsick" in 1696, "the Exchange must have fallen and run against us in all Parts of the World, and so in time we must have sent over our Specie to have paid Bills of Exchange and which must have been paid at so much loss ... thus all the Gold would have gone abroad again to loss." (23)

In the first year of the 'Review', Defoe proudly showed his familiarity with the intricacies of foreign exchange, probably acquired during his early years in trade. Foreign exchange, like the balance of trade, was much discussed but little understood. "But ... when we come to talk of Foreign Exchanges, Negotiating Bills, Remitting and Drawing, and the Infinite Varieties, Niceties, and Originals of that Mystery call'd Exchange; those very Gentlemen that pretend most to it, understand but little of it. To know the Exact Courses of Exchange, the Different Rates of every Exchange in Europe, and the Aspect it has to a Sterling Original; how to remit Money to Loss, and draw it Home to Gain; to remit with Gain, and by after Negotiating and Remitting it from Place to Place, bring

22. D. Vickers, Studies in the Theory of Money 1690-1776 (1960) pp. 69-72.

23. Mercator, No. 176, July 8, 1714.

it Home again without Loss - These are Things, I believe, very few Men in England, our Commissioners of Trade always Excepted, can give an Exact Scheme of: Nay, those very Authors who have wrote on these Heads, have done little more than lead their Readers into the Wood, and left them to come out, as Wise as they went in." (24) These remarks, however, were used to preface a demonstration that the French King was able at any time to borrow £100,000 on the London money market, "to serve an Extraordinary Emergency" such as supplying his army in Italy with ammunition or provisions, by bills of exchange drawn on foreign agents who had credit at London. The various charges for commission and any loss on the exchanges would be considerably less than the high interest that Louis had to pay to the French investor. Defoe used this illustration to support an early plea for the resumption of a restricted trade with France. If prohibiting this trade did not prevent the French from obtaining necessary supplies for the war, it was futile to forego the profit which he believed England could gain from trading with the enemy as easily as the Dutch. (25)

His approach to the whole question of foreign exchange and the balance of trade, however, remained fundamentally conservative and nowhere in his extensive writing on trade does he give any suggestion that he was aware of the concept of the self-regulating mechanism of specie distribution which Isaac Gervaise came so near to formulating during Defoe's

24. Review, Vol. I (No. 88), p. 365.

25. Infra, pp. 640-641.

lifetime. (26) Indeed the passage recently quoted shows that he regarded the loss of gold as a major calamity. (27) Believing as he did that there was only a limited volume of trade in the world and that the great conflict with France would ultimately be decided by the longest purse, that is by the adequacy of each government's financial arrangements and by the amount of bullion which each side could command, it was impossible for him to do otherwise. In evaluating Defoe's economic ideas it must always be remembered that for much of the time he wrote against the background of a long and heavy war. While he vigorously supported this struggle until the European situation changed in 1711, he was constantly aware of the severe strain which this imposed on the British economy. He thought that France was only able to maintain the contest because of her foothold in Spain and her resulting control of Spanish colonial trade which diverted the stream of bullion from the New World to France instead of to England and Holland. He attacked those critics of William's Partition Treaties who thereby saved Italy from the French and thus secured Britain's trade with Turkey and Venice, while they allowed them to strike a much greater blow at British trade by taking "a quiet Possession of Spain." "Italy was sav'd, and Spain was lost, our Manufactures stopt, and all the Channels, at which the Silver us'd to flow into this Nation, dam'd up at once. And now we cry out at sending away our Bullion, as if we had never sent it away before. I say ... we always sent it away, and there

26. I. Gervaise, The System or Theory of the Trade of the World 1720.

27. Review, Vol. I (No. 94), p. 390.

are some Trades in which we must send it away; and England ought to be always in a Condition to part with what her Occasions called for, and always was so before now." (27)

Before the disputed Spanish inheritance plunged Europe into war, the export of bullion to Scandinavia and India was not so acute a problem, but now the diminished supply of bullion was at the root of all England's difficulties:

"It will certainly be true in England, as it is in all Countries, and will be to the end of the World, that the more Money goes out; when there is none to supply, there will be the less left; in vain the Queen has her Exchequer administered by the most exact Treasurer, and in the most Exquisite manner that England ever knew; ... if you will be ever Exporting, and Import none, you will certainly sink the Quantity. ...

This occasions our Coin to decrease, for we see none Coin'd; the Image of her Majesty on the Coin, is as scarce as Medals; and foreseeing the People lay her Guineas by, ... having no prospect of seeing any Quantity in the Nation, till the War is over; ...

In King William's Time Money became plenty in a Moment; the Old Coin hardly vanish'd so fast, as the New Coin appear'd, and the Millions of ready Money that shew'd themselves in two or three Years, are Incredible to be talk'd of; the Reason is plain, the Plenty of Bullion kept the Price under the Rate of the Coin, and all Men converted it into Money, because they got by it; now the Price of the Coin is below the Price of Bullion; and by the same Rule, all Men will convert the Coin into Bullion, because they get by it." (28)

His fundamental attitude is revealed by this late comment on the Spanish trade in which the overplus or balance was returned to England "in Specie, that is, to say in Bullion, which is the ...

27. Review, Vol. I (No. 94) p. 390.

28. Ibid., (No. 95) p. 394.

29. As Above upon Projects (1707), II. 1, 37-38.

best of all Returns, and is itself the Ballance of all Voyages, Accounts and Transactions whatsoever;" (29)

For about a century before the Bank of England was established in 1694, there had been much discussion of banking largely based on the successful continental examples at Amsterdam and Venice but, as so often with Defoe, his views are a curious mixture of current prejudices and judicious observation which, in some respects, anticipated much later developments. He could see many advantages in banks "if rightly manag'd ... especially to a Trading People, as the English are." He put first the reduction of interest, taking from "the Goldsmiths, Scriveners and others, who have command of running Cash, their most delicious Trade of making advantage of the necessities of the Merchant, in extravagant Discounts, and Premio's for advance of Money, when either large Customs or Foreign Remittances, call for Disbursements beyond his common Ability." According to the favourable terms on which he could borrow, the merchant was encouraged "to venture further in Trade than otherwise he would do, but Defoe blamed both the Bank of England and the Orphans Bank of the City of London for regarding their private advantage rather than the good of the country by ignoring their own proposals and seizing the opportunity to improve their stock. (30) Although this criticism was made by the Bank of England's opponents, it seems unreasonable against the background of its initial tenuous resources, the

29. The Political State of Great Britain, Vol. XXXIX, Jan. 1730, p. 50.

30. An Essay upon Projects (1697), pp. 36, 37-38.

Nine Years' War and the recoinage. (31) The Deputy Governor, Michael Godfrey, had already claimed that the Bank had prevented the rate of interest from rising and that it would "infallibly lower the interest of money" because this was in their own interest to do so, to employ their funds to maximum advantage and to make their own stock, with its guaranteed return of 8 per cent. from the Government, more attractive than any other.

(32) Defoe reproached the Bank for failing to fulfil their promise to lend money on mortgages at 4 per cent., "which would prevent the Loss of multitudes of Estates, now ruin'd and devour'd by insolent and merciless Mortgages," (33) but Godfrey

maintained that it had kept the mortgage rate down to 5 per cent and that if titles of land were made more secure, "money would be lent thereon at 4 per cent" and in peace time at 3 per cent. (34) A third objection was that the new banks were

"nothing but so many Goldsmiths Shops" allowing 3 per cent. on deposits as any goldsmith in Lombard Street already did and, more seriously, that they were "so aukward in Lending; so strict, so tedious, so inquisitive, and withal so publick in their taking Securities" that the great aim of easy borrowing was defeated. Therefore, Defoe inferred that the Bank was "only a great Trade carri'd on for the private Gain of a few concern'd in the Original Stock." (35)

31. H.C. (Hugh Chamberlen), A Reply to a Pamphlet called Observations on the Bank of England (1695); Angliae Tutamen (1695) p. 9, accused the Bank of causing "the Rise and Fall of Moneys at their Pleasure."
32. M. Godfrey, A Short Account of the Bank of England (1695) Somers Tracts, XII, pp. 4, 5.
33. An Essay upon Projects, pp. 39, 37.
34. M. Godfrey, op. cit., p. 5.
35. An Essay upon Projects, p. 40.

This last criticism reveals his disappointment that the Bank had not assumed the much wider responsibilities of a central bank from its inception. Perhaps the Bank's defenders had encouraged such assumptions for even Godfrey suggested that but for the limitations of its charter, it "might take into consideration the exchanging seamen's tickets for money, for a very small allowance," (36) which presumably would have required branch offices, at least at Chatham and Portsmouth. Although modern historians have commended the ability and patriotism, (37) and the courage, shrewdness, integrity and sense of responsibility of the first directors, (38) J.K. Horsefield notes that they seem to have thought of themselves at the beginning as an investment trust engaging in some functions of commercial banking. He adds that there is little in the Bank's Minute Books "to suggest that it had consciously accepted the responsibilities either of a bank of issue; the Government's banker, agent and adviser; the custodian of cash and exchange reserves; the controller of credit; or the lender of last resort." (39) One of its leading directors Sir Theodore Janssen, regretted that it "had gone beyond lending on good pawns, discounting bills of exchange, and taking short-dated tallies at par." (40) Characteristically, Defoe had much wider ideas. "First, A Bank ought to be of a Magnitude

36. M. Godfrey, op. cit., p. 6.

37. P.G.M. Dickson, The Financial Revolution in England ... (1967), p. 59.

38. R.D. Richards, The Early History of Banking in England (1929) p. 157.

39. J.K. Horsefield, British Monetary Experiments 1650-1710 (1960) pp. 137, 142.

40. Ibid, p. 140; Sir T. Janssen, A Discourse concerning Banks (1697) p. 8.

proportion'd to the Trade of the Countrey it is in; which this Bank is so far from, that 'tis no more to the Whole, than the least Goldsmith's Cash in Lombardstreet is to the Bank:" Inevitably more banks were being founded which would either damage the standing of banks in general or lead to "a Civil War with one another." Over half the stock of the Bank was "taken up in the Affairs of the Exchequer "but even if it were "wholly clear of the Publick Concern of the Government" it was only a fifth of what would be needed to manage the banking business of London. This was one reason why it had not been able to reduce the rate of interest, "Whereas all Foreign Banks absolutely govern the Interest, both at Amsterdam, Genoa, and other places." Therefore, he proposed that it should increase its stock to at least £5 million, settled like the original £1,200,000, "with some small Limitations to make the Methods more beneficial." The "Credit of their Cash" would attract all the surplus money in the capital, probably half the new foundation, and the circulation of their "Running-Bills" would provide an equivalent amount, so that their total assets would be £10 million. A corresponding increase in the number of directors would enable them to establish "several Sub-Committees" to control the various departments of their business, as in fact the Bank did proceed to organize its activities.

The first of his suggested seven "offices" shows how Defoe visualized the role of the Bank from the standpoint of its usefulness to the tradesman. This was "for Loan of Money

for Customs of Goods; which by a plain Method might be so order'd, that the Merchant might with ease pay the highest Customs down; and so by allowing the Bank 4 per Cent. Advance, be first sure to secure the 10 l. per Cent. which the King allows for Prompt Payment at the Custom-house; and be also freed from the troublesome work of finding Bonds-Men, and Securities for the Money." The tradesman would take his bill of loading to the Bank who would "appoint their Officer to Enter the Goods, and pay the Duties" which would "give them Title enough to any part, or the whole, without the trouble of Bills of Sale, or Conveyances, Defeazances, and the like." The tradesman would have access to his goods in the Bank warehouse at the waterside and would be able to sell the whole or a part, provided he discharged the sum advanced by the Bank. He blamed the goldsmith bankers for extortionate demands and ruinous restrictions in the past and gave this example, probably from his own experience. A merchant borrowed £700 from a goldsmith to pay the duty on 100 pipes of Spanish wine but had to make over the wine to him by bill of sale and to pay interest, cellerage, attendance of the goldsmith's men and other charges totalling £193. Because the goldsmith would only allow sale of the whole consignment, this hung fire until deterioration of some of the wine forced the merchant to sell the remainder cheaply. This realized a profit of only £29 against a loss of £640 for the initial cost of the wine, freight and insurance. (41)

The second of Defoe's offices, which would also "take up a considerable branch of the Stock," was for pawnbroking. This was to have annexed to it "a Warehouse and Factory, where all sorts of Goods might publickly be Sold by the Consent of the Owner, ... the Bank receiving 4 l. per Cent. Interest, and 2 per Cent. Commission for Sale of the Goods. "Lumbards" or "Monts de Piété," to deliver the poor from usury, appeared in most of the early English banking schemes and this function was listed among the benefits of the Bank by Godfrey. (42) It appeared in the bye-laws of the Bank and some business was done, though not with the poor, such as an advance on £6,000 worth of coffee, before it was discontinued. (43) Three departments were to deal with the discounting of Government bills and tallies, mortgages at 4 per cent and foreign exchange respectively, but Defoe obviously thought that his sixth office, for inland exchanges, would meet the greatest need and it would have "a very large Field of Business." The proposals of Yarranton and Cary for county banks would be unnecessary for one large bank such as he proposed, "might with ease Manage all the Inland Exchange of the Kingdom." By "a Correspondence with all the Trading-Towns in England," the whole country would trade with the Bank. "Under the Direction of this Office a Publick Cashier should be appointed in every County, to reside in the Capital Town as to Trade, and in some Counties more, through whose Hands all the Cash of the Revenue of the Gentry, and of Trade, shou'd be return'd on the Bank in London, and from the Bank again on

42. Ibid, p. 53; M. Godfrey, op. cit., p. 6.

43. R.D. Richards, op. cit., p. 173.

their Cashier, ... at the small Exchange of $\frac{1}{2}$ per Cent. by which means all loss of Money carri'd upon the Road, ... wou'd be more effectually prevented, than by all the Statutes against Highway-Men that are or can be made." (44)

The transfer of money about the country was indeed a difficult problem at the end of the seventeenth century. (45) The great shortage of cash caused by the defects in the currency system and the drain of silver to India and the Baltic put "a premium on liquidity" and although there was extensive use of credit, there was no developed system to facilitate commercial transactions. (46) Sir Josiah Child had claimed that the growth of banking facilities made the problem worse in one respect, in that "the Trade of Bankers being only in London it doth very much drain the ready money from other parts of the Kingdom." (47) Four-fifths of the business of the Bank of England was done with the Government and its description as "the Bank of London" was still "not an inappropriate term" in 1764. Its "sealed bills" were mainly used in payments to or by the Government and "did not circulate much," the minimum value of its promissory notes from 1696 to 1759 was £20 and while some of its "true" banknotes were issued for small and odd amounts, notes for less than £20 were rare. (48) Even in the second half of the eighteenth century, its notes did not

44. An Essay upon Projects, pp. 54-56.

45. C. Wilson, op. cit. pp. 206-207.

46. D.C. Coleman, Sir John Banks, Financier, In F.J. Fisher, ed. Essays in the Economic and Social History of Tudor and Stuart England (Cambridge, 1961) pp. 204-209.

47. Sir J. Child, A New Discourse of Trade (1693) Preface, XXXIX

48. Sir J. Clapham, The Bank of England (Cambridge, 1944) I, pp. 23, 142-155.

circulate very much outside a radius of sixty miles from Charing Cross, and even when they did, the provincial farmers and traders, except in Lancashire, preferred the notes of a country banker, but Samuel Smith's of Nottingham was the only country bank in England in 1700. (49) Inland bills of exchange only gained full legal recognition in 1705 (50) and Margaret G. Davies has shown how country gentry frequently preferred to use the less formal services of local wholesalers, such as graziers and drovers who acquired cash at Smithfield market, to enable the rental from their estates to finance their seasonal residence in the capital. (51) Andreades believed that the Bank's monopoly of joint-stock banking "had a very bad effect on the organization of provincial credit," but that most of the subsequent crises might have been avoided if it had established branches "in every commercial town in the kingdom." (52) Yet it was not until after the Act of 1826 that its first three branches, at Gloucester, Swansea and Birmingham, were opened. (53)

Defoe did not think it was either "impossible or impracticable" for "One Joint Stock to go through the whole Business of the Kingdom" since "almost all the Country Business wou'd be Manag'd by running-Bills, and those the longest abroad of any, their distance keeping them out, to the Increasing the Credit, and consequently the Stock of the Bank." He doubted whether

49. R.D. Richards, op. cit., p. 195.
50. J.K. Horsefield, op. cit., p. 237.
51. Margaret Gay Davies, 'Country Gentry and Payments to London, 1650-1714' in Econ. Hist. Rev. Second Series, Vol. XXIV (1971), pp. 15-36.
52. A. Andreades, History of the Bank of England 1640 to 1903 (1966 reprint of 1909) p. 113.
53. R.D. Richards, op. cit., p. 196.

many banks "cou'd without clashing maintain a constant Correspondence with one another, in passing each others Bills as Current from one to another." His constant fear of ruinous competition made him add, "A Civil War among Merchants is always the Ruin of Trade: I cannot think a Multitude of Banks cou'd so consist with one another in England, as to join Interests, and uphold one another's Credit without joining Stocks too," but because some thought that many banks would dispose of "the whole Cash of the Kingdom" better than "One Bank-Royal," he suggested a scheme of country banks. He acknowledged that other writers had made the same proposal but contended that his thoughts ran "upon quite different Methods." (54) This was true, for the other plans were usually advanced in vague general terms such as a bank in each of a hundred districts, (55) one "in every Shire," (56) and county "Chambers of Accompts" which could establish "Petty Chambers" in the "principal towns of trade." (57)

Defoe made the municipal corporation the basis of his project, which would obviate "the difficult and chargeable work of Suing for a Corporation by Patent or Act of Parliament". If the gentlemen or tradesmen of an area such as Norfolk proposed to set up a bank the subscriptions would be paid into the Norwich city chamber to become "the Publick Stock of the Town" and it would be managed "by a Court of Directors, as all Banks are,

54. An Essay upon Projects, pp. 57-59.

55. F. Cradocke, Wealth Discovered (1661) p. 10.

56. Sir F. Brewster, Essays on Trade and Navigation (1695) p. 110.

57. D. Beeckman, Proposals ... to raise Five Hundred Thousand Pounds per Annum ... (1696) p. 2.

and chosen out of the Subscribers, the Mayor of the City to be always one." The directors would be accountable to the corporation and the latter in turn to "the General Court," so that the bank "wou'd have as firm a Foundation as any Bank need to have." He named the following fifteen towns "Some of which, tho they are not the Capital Towns of the Counties, yet are more the Center of Trade, which in England runs in Veins, like Mines of Metal in the Earth" - Canterbury; Salisbury; Exeter; Bristol; Worcester; Shrewsbury; Manchester; Newcastle upon Tyne; Leeds, or Halifax, or York; Nottingham; Warwick, or Birmingham; Oxford, or Reading; Bedford; Norwish; Colchester. "Every one of these Banks to have a Cashier in London, unless they cou'd all have a general Correspondence and Credit with the Bank-Royal." He envisaged that each bank would be "a General Staple and Factory" for the local manufacture, "where every man that had Goods made, might have Money at a small Interest for Advance;" the goods being forwarded to the Bank's London warehouse and sold for him for only one per cent commission. The Bank would also provide him with credit for his imports of raw materials, such as "Spanish Wool, Cotton, Oyl, or any Goods" against the value of these finished goods in the warehouse, cashing his bill of exchange "to the full Value of his Goods," or for a very small discount. "These Banks, either by Correspondence with each other, or an Order to their Cashier in London, might with ease so pass each other's Bills, that a man who has Cash at Plymouth, and wants Money at Berwick, may transfer his Cash at Plymouth to Newcastle in half an hours time, without either Hazard, or Charge, or Time, allowing

only $\frac{1}{2}$ per Cent. Exchange; and so of all the most distant parts of the Kingdom. Or if he wants Money at Newcastle, and has Goods at Worcester, or at any other Cloathing-Town, sending his Goods to be sold by the Factory of the Bank of Worcester, he may remit by the Bank to Newcastle, or any where else, as readily as if his Goods were sold and paid for; and no Exactions made upon him for the Convenience he enjoys." Defoe gives no details to show how these transactions were to be achieved at a time when communications were so notoriously slow and imperfect but his half hour obviously refers to the time required for the necessary bookkeeping entries. On the other hand, he acknowledged that there was no immediate prospect of launching such a scheme because of "the Scarcity of Currant Money." (58) Horsefield finds this candour refreshing, "after the unthinking optimism of so many of his fellow-inventors." (59)

The currency shortage had put a stop "to that part of a Stock we call Credit; which always is, and indeed must be the most essential part of a Bank." Specifying that a Bank was "only a Great Stock of Money put together, to be employ'd by some of the Subscribers, in the name of the rest, for the Benefit of the Whole," he considered that this stock did not subsist merely "on the Profits of its own Stock, for that wou'd be inconsiderable, but upon the Contingences and Accidents which Multiplicity of Business occasions." By the circulation of

58. An Essay upon Projects, pp. 59-64.

59. J.K. Horsefield, op. cit., p. 150. He also considers Defoe the "most imaginative" of all the contemporary writers on banking, p. 140.

various credit instruments, "the Bank enjoys the full Benefit of as much Stock in real Value, as the suppositious Value of the Bills amounts to," but while he shared the general assumption that one of the chief benefits of banks was the extension of monetary circulation, he emphasized the fundamental importance of convertibility - "where-ever this Credit fails, this Advantage fails; for immediately all men come for their Money, and the Bank must die of it self:" (60) He insisted that both the Bank and the new government device of issuing treasury bills had "fail'd in the Performance" initially, because it was impossible "to force Credit without Cash." The new "Exchequer Notes ... were Jobb'd about the Town" and circulated at "the shameful Discount of 10, to 16 and 20 l. per Cent" until the supply of new money from the Mint revived trade and stimulated credit for "Credit always follows plenty of Cash, as naturally as the Effect does the Cause." (61)

He over-simplified the events of 1696-7 but the importance which he attached to sound credit led him to criticize the Bank for "offering double Interest ... when a Storm threatned them," that is for giving further interest on their sealed bills to postpone their encashment during the reported run on the Bank by the directors of the Old East India Company in 1701: (62)

60. An Essay upon Projects, pp. 64-65.

61. 'The Villainy of Stock-Jobbers detected ...' (1701) in A True Collection, I, p. 256.

62. W.R. Scott, Joint Stock Companies to 1720 (1911) III, 217. Sir John Clapham, op. cit., p. 118, footnote, doubts some of the pamphlet evidence but see R. Walcott 'The East India Interest' in the General Election of 1700-1701 in Eng. Hist. Rev. Vol. LXXI (1956) pp. 223-239.

"The Credit of the Bank of England does not immediately consist in the reality of their Foundation: 'Tis true, it does originally depend upon the Goodness of their Bottom, but the more immediate Credit of their Proceeding, depends upon the currency of their Bills, and the currency of their Bills depends upon their immediate Pay; the Bank has no Advantage of the meanest Goldsmith, as to their current Bills, for no longer than their Payments continue punctual and free, no longer will any Man take their Bills, or give them Credit for Money. All the Credit which remains to the Bank after their Payment comes to stop, if ever such a time shall be, is that People have a Satisfaction, that at long run their Principal is safe, and their bottom will pay their Debts: This is the Credit of their Stock, but the Credit of their Cash ends, if ever they balk but one Bill.

To ask the World to stay for their Money, and take Interest, is to weaken the Credit of their Cash, and transfer themselves to the Credit of their Stock which no Body doubts to be good.

I know therefore nothing the Bank could have done more to injure the Credit of their running Cash, than to make such a Proposal of Interest upon their Bills, which formerly they publickly refus'd." (63)

He made the same criticisms of Law's Banque Royale in the summer of 1720. After repeating that a bank was "a Receptacle for a Deposit of a Cash; ... in short a great Goldsmith's Shop, and no other," he forecast the end of banking in France, as he claimed banking was then understood, as "a Repository of current Cash, where 'tis always to be had at Demand, and whose Bills are always esteem'd better than Money, without which no Bank is worth a Farthing, or deserves the Name of a Bank: For no Credit, no Bank, is as much a Maxim in Trade, as any Principal or Fundamental can be allowed to be in other Things." (64) In 1707 a "Merchant of London" similarly attacked the Bank of England for again offering interest on its bills, claiming that this decision, together with the popularity of East India bonds,

63. 'The Villainy of Stock-Jobbers detected...' op. cit., pp. 262-263.

64. The Commentator No. LXIV, 12 Aug. 1720.

entirely destroyed the supply of credit. At a time when the East India Company wanted money to buy the goods which it brought from Asia and the Virginia and Hamburg merchants to pay their import duties, the Bank had increased the general demand for money and interfered with its circulation, in that it had tied up money by the attraction of its extra interest. (65)

It is strange that this emphasis on the principle of encashment of banknotes on demand did not make him critical of the land bank schemes of the 1690s, but, like so many of his contemporaries, his search for some underlying security for a national bank led him to look to land to provide that fund of credit on which such great expectations were built between the Revolution and the South Sea debacle of 1720. Thus he declared, "I confess a Bank who can lay a Fund for the Security of their Bills, which shall produce, first an Annual Profit to the Owner, and yet make good the Passant-Bill, may stand, and be advantageous too, because there is a Real and a Supposititious Value both, and the Real always ready to make good the Supposititious; and this I know no way to bring to pass, but by Land, which at the same time that it lies Transferr'd to secure the Value of every Bill given out, brings in a separate Profit to the Owner; and this way no question but the whole Kingdom might be a Bank to it self, tho' no ready Money were to be found in it." He added that he would have developed this "Notion of Land, being the best bottom for Publick Banks, and the easiness of bringing it to answer all the Ends of Money deposited, with double

Advantage;" but that John Asgill's tract, "Several Assertions prov'd, in Order to Create another Species of Money than Gold and Silver," had presented the case so successfully. (66) At this date, the failure of the four Land Bank projects to attract public support was only just being demonstrated and Asgill's joint venture with Barbon lingered on until 1700 (67) The Bank of England had only recently survived its first crisis, to which it had contributed by an over-issue of paper money, (68) and the experienced merchant-economist, John Cary, considered that its credit was so shaken that it was no longer suitable as a national bank. (69) The strength of its connection with the Government, which Defoe stressed in his 1701 pamphlet, was only becoming apparent in 1697, although it was reinforced by the frequent failures of goldsmith-bankers. (70) "Of all the gambles in this reign of gamblers, the Bank of England was the most risky" was the opinion of David Ogg. (71) Land seemed so much more secure that in 1706, in another attack on dubious projects such as "Salt-Peter Works, Linnen Manufactures, Paper Company," Defoe used the failure of the banking schemes based upon a subscription of land, "the most Essential and most Substantial Support" which any man could propose "to build credit upon," to show the danger of an excessive rise in stock prices where the profits did not ensure a safe return on the invest-

66. An Essay upon Projects, pp. 66-67.

67. R.D. Richards, op. cit., p. 120.

68. E. Lipson, op. cit., III, p. 243;

69. J.K. Horsefield, op. cit., p. 150; J. Cary, An Essay towards the Settlement of a National Credit ... (1697) p. 13.

70. Ibid. p. 233.

71. D. Ogg, England in the Reigns of James II and William III (Oxford 1955) p. 421.

ment. (72) In the credit crisis of 1710, the attraction of the credit possibilities of land was still strong enough for him to maintain, "I make no difficulty to acknowledge, that where the land is, there is the foundation of all the real wealth in the nation; ... No doubt where the land is, there can be no want of money; because land will at any time raise money; whereas money without the assistance of trade, land-men, or governments, can operate no way, but like the viper, preying upon itself." (73)

Despite his criticisms of the directors for showing an undue regard for their own interests, he acknowledged that the Bank of England had already begun to prove its usefulness to the nation, "As advancing Money to the Exchequer upon Parliamentary Funds and Securities, by which in time of a War our Preparations for any Expedition need not be in danger of Miscarriage for want of Money, though the Taxes rais'd be not speedily paid, nor the Exchequer burthen'd with the excessive Interests paid in former Reigns upon Anticipations of the Revenue." He conceded that it was "a very Good Fund, a very Useful one, and a very Profitable one:... and the establishing it at such a Juncture, when our Enemies were making great boasts of our Poverty and Want of Money, was a particular Glory to our Nation, and the City in particular." But his final testimony, "I believe the present Bank of England has been very useful to the Exchequer, and to supply the King with Remittances for the Payment of the

72. Review, Vol. III (No. 51) p. 204.

73. 'An Essay upon Loans' (1710 reprinted in Somers Tracts, Vol. XIII, p. 70.

Army in Flanders," concluded with an unwarranted gibe that this had also "been very profitable to it self." (74) In fact this "business of remises" proved very difficult and involved the Bank in serious losses because of the unfavourable rate of exchange. (75) Its bills in Holland were protested, it had to borrow £200,000 from the Bank of Amsterdam and had to set up a branch at Antwerp to supply the necessary Flemish currency. "Only the public spirit of the directors prevented a breakdown" in what was always a "hand-to-mouth business." (76)

A final criticism seems quite inconsistent after his marked preference for a much larger "Royal Bank." This was his comparison between the displacement of the Norfolk makers of knitted stockings by the Spitalfields framework stocking-weavers, with the advance of the Bank at the expense of the goldsmiths, referring to its "Engrossing Cash and Credit in one Fund" as one of the "Evils of the Banks Excess." (77) The accuracy of this comment is doubtful in that R.D. Richards considers that in spite of the initial hostility of Charles Duncombe and other goldsmith bankers towards the new venture, the Bank did not make "any deliberate attempt to injure the private banking of the goldsmiths" and in fact developed close relations with them. (78) Defoe's remark is more significant as disclosure of his consistent hostility to the concentration of power in the hands of the great financiers and as another

74. An Essay upon Projects, pp. 37, 43, 44.

75. R.D. Richards, op. cit., pp. 178-188.

76. D. Ogg, op. cit., p. 422.

77. Review, Vol. II (No. 7) p. 26.

78. R.D. Richards, op. cit., pp. 171-172.

indication that he did not consider the Bank to be a true national bank. (79)

Apart from life assurance, Defoe welcomed the growth of insurance, the even-newer development of an old branch of financial business. Yet he said practically nothing about it as a field for investment or as a service to other nations, although he wrote at some length about the importance of freight charges. (80) He was solely concerned with the principle of insurance against misfortune. First, he dealt with marine insurance, believing that this type of insurance among merchants had been of use "time out of mind in Trade; tho perhaps never so much a Trade as now." All risk in trade being for gain, this was of mutual benefit, the sharer of the risk being entitled to a share of the gain. To those who contrasted the smallness of the premium with the amount of the sum insured, he pointed out that the insurer only ran one risk whereas the assured had accepted a number of hazards, such as loss or damage to cargo, bad debts, poor sale and an untrustworthy factor. He might also have paid more than one premium, claiming that he had paid £100 "Ensurances in those small Premio's" on a voyage which had not returned him £50 profit. (81) Defoe's objections to loans on bottomry were probably inspired by his preference for mutual insurance schemes. He always referred to the practice disparagingly as in this comparison between the speculation that was developing in England with the greater height which it had reached in France:

79. Infra, pp. 327-328.

80. Supra, pp. 269, 273-274.

81. An Essay upon Projects, pp. 112-117.

"... You are a Parcel of dull, phlegmatic Fellows at London; ... We have run up a Piece of refined Air, a meer Ignis fatuus here, from a hundred to two thousands, and now we are making a Dividend of forty per Cent ... the new Bubble you have at London, of a Million to be lent upon Bottomree cannot be a more palpable fraud. What if lending Money on Bottomree be the Occasion of burning the Vessels, or wrecking forty Sail of Ships a Year, what is that, to this of the Stock advanced to twenty Hundred upon One, ..." (82)

Fire insurance, popularly ascribed to Dr. Barebone, "a Man ... better known as a Builder than a Physician," was first "settled on a Fund of Ground-Rents, to Answer in case of Loss, and met with very good Acceptance." This was "soon follow'd by another, by way of Friendly Society; where every one who Subscribe, pay their Quota to Build up any Man's House who is a Contributor." He refused to pass any opinion on the respective merits of the two schemes, except that the second brought in "most Money to the Contriver." Each society, however, employed "a set of Lusty Fellows, generally Water-men," who were "very Active and Diligent" in dealing with any fire, even in houses which were not insured. A state scheme of insurance for all English foreign trade could be introduced "on Payment of a small Duty to the Government" and titles to land could also be insured "if Establish'd on a good Fund." (83)

Something might be said in favour of life assurance in Italy, where stabbing and poisoning were "so much in Vogue,"

82. (Mist's) The Weekly Journal, 2 Jan. 1720. Cf. Infra, pp. 514. In January 1720 joint-stock enterprize had affected marine insurance with the emergence of the two friendly rivals, the Royal Exchange and London Assurance companies which were accused by existing insurers of "blowing up the stock" rather than promoting legitimate business. See Scott, op. cit., III, pp. 364-365, 396-403.
83. An Essay upon Projects, pp. 115-117.

but Defoe approved of this branch of insurance in England if organized on a contributory basis by friendly societies. All things which had "Casualty in them" might be insured by a group of people entering into "a Mutual Compact to Help one another," but the members should be a homogeneous group, such as seamen, or shopkeepers, so that there was a general equality of risk. Having read Petty, he also had some idea of actuarial factors for he stated that people differed extremely "by the Age and Constitution of their Bodies, and difference of Employment." (84) "Level-Lot", a general levy for sea defences in fenland, and contributions among troopers to provide remounts were also in the nature of friendly societies and the same method could be used by the Powers to secure general peace. "All the Contingences of Life might be fenc'd against by this Method, (as Fire is already) as Thieves, Floods by Land, Storms by Sea, Losses of all Sorts, and Death it self, in a manner, by making it up to the Survivor." Sailors as "Les Enfants Perdue" were so liable to death or disablement that "Smart-Money" proportioned to injury had been provided in the Royal Navy, but the lack of any such provision in the merchant service resulted in the loss of "many a good Ship, with many a Rich Cargo" because the seamen often surrendered the ship when they could have beaten off a privateer. Therefore, he proposed that a friendly society should be established for all seamen with a scale of pensions ranging from a single payment of £200, or £16 a year for life, for the loss of both arms to £10 towards the cure of a broken limb. Other benefits were to be £50 to his wife if he were killed or drowned, £50 towards his ransom "if taken by the Turks"

84. Petty's 'Political Arithmetick' was in his library Catalogue of the Libraries of the Rev. and Learned Philips Gentlemen Farewell (1731) D.D. ... and of the Ingenious Daniel DeFoe.

and £6 a year if no longer fit to go to sea or unable, by age or sickness, to maintain himself. The seamen would pay a shilling a quarter for the administrative costs and periodic contributions to meet the total claims arising in the intervening period. A similar scheme would be of particular benefit to widows, especially to "the Wives of the Inferior Clergy, or of Shopkeepers and Artificers," who often had nothing with which to support "a House full of Children." Wives would again pay 5s. entrance fee and 1s.4d. per quarter for the expenses of administering the scheme which would require "Moving Officers without doors" to seek out information which might ruin the project, such as "very Unequal Matches, as when a Woman of Nineteen Marries an Old Man of Seventy" or women known to have infirm husbands. A widow would receive £500 after the first six months unless her husband left her £2,000 "clear of all Debts and Legacies," and would pay a maximum of 5s. whenever any other member died. He thought that this would not arise more than twenty times a year, making a total payment of not more than £5, and while contributions would be voluntary, defaulters would lose their past contributions. He based his scheme on Petty's calculation of a national death rate of 1 in 40, but he claimed that the Bills of Mortality only gave a figure of 1 in 50, "Plague Years excepted", on Petty's assumed population for London of one million. He kept this latter figure although the death rate of children and old people would make the true figure for his contributors from "the Midling Age of the People, excluding seamen's or soldiers' wives, 1 in 80. As half the number would be men, this would make

1 in 100 for his sample of 2000 women, that is twenty deaths or payments a year. (85)

His national pension office scheme is discussed elsewhere, (86) but his enthusiasm for friendly society projects was probably one reason for his championship of the Newcastle keelmen in 1712, as his much later comment in his 'Tour' shows: "Here is a large hospital built by contribution of the keel men, by way of friendly society, for the maintenance of the poor of their fraternity, and which, had it not met with discouragements from those who ought to have assisted so good a work, might have been a noble provision for that numerous and laborious people." (87) He had already supported them against the fitters, who had gained control of the Hostmen's Company and of the Tyneside coal trade, in the 'Review' two years before his intervention in the dispute about the hospital, (88) but in 1712 he was probably also responsible for two broadsheets which appeared on their behalf. (89) In addition he tried, unsuccessfully, to enlist the services of his patron, Harley. On June 19, 1711 he ended a letter with this paragraph: "I am your daily petitioner for an opportunity in but six words to lay before you some things relating to new uneasinesses in Scotland; something relating to the trade to the South Seas, ... and something relating to the poor Keelmen at Newcastle whose oppression

85. An Essay upon Projects, pp. 117-142.

86. Supra, pp. 168-169.

87. A Tour, II, pp. 250-251.

88. Infra, p. 979.

89. The two broadsheets have neither place of publication nor date. F.W. Dendy printed them in his 'Extracts from the Records of the Company of Hostmen of Newcastle-upon-Tyne,' The Publications of the Surtees Society, Vol. CV (1901) pp. 172-177 but dated them 1707. J.R. Moore dates them 1712.

seem reserved for your hand to put an end to ...". These two subjects of Scotland and the South Seas monopolized Defoe's correspondence with Harley for the next few months, but on February 14, 1711/12 he wrote, "I reproach myself with the answer I gave your Lordship when you were pleased to ask me if I had anything particular to offer, because I fully purposed to have represented a particular case of the poor keel men of Newcastle, which I once offered formerly to you, and who are now like to have the government and management of their own charity subjected to the fitters and magistrates, by which a new foundation also will be laid to influence and enslave the poor men, and thereby again make a monopoly of the coal trade. There is so much justice and charity in the case that I persuade myself you will be pleased with appearing in behalf of a thousand families of poor and injured men, whom none but God and your Lordship can now deliver. If you please to give me leave, I would gladly lay an abstract of the case before you; it being in a few days to pass the House of Commons." (90)

The keelmen had set up their charity in 1699 by a contribution of 4d. per keel per tide, (91) a keel being manned usually by four men, although it is doubtful from the beginning if they actually intended it to be administered by their employers, the hostmen-fitters. Complaints of the Hostmen Company's management of the fund appeared in 1700, but the building of the hospital began in 1701 on land provided by the corporation of Newcastle with the help of an advance of £200 by Sir William Blackett. (92)

90. Hist. MSS. Comm. 14th Report (Portland) V, pp. 13-14, 143.

91. F.W. Dendy, op. cit. Introduction.

92. Ibid., pp. 154-158, 253; J.U. Nef, The Rise of the British Coal Industry (1932) I, p. 388, II, pp. 177-178.

"But the Building of the Hospital was wholly at the Charge, and by the Direction, of the Keel-men; neither have either the Town by the said Gift; or the Hoast-men's Company by the said Trust, any Claim or Pretence upon, or unto, the Government or Disposition, either of the Stock, or Building, or Money, or of any other of the Affairs of the Keel-men whatsoever." (93)

In the "Review" of February 14, 1712, he described the building as "a very noble Hospital, the Finest and Handsomest of its kind in this Nation," having cost over £2000, and stated that the fund was used "for the Support of their own Poor, burying their Dead, providing for the Widows and Orphans of such as Perish in the River, as many of them frequently do." He accused the fitters of embezzling some of the money for their own purposes so that the keelmen had decided to apply for a charter of incorporation to gain control of their own charity. To this end they had presented a petition to the Queen in April 1711, with more than a thousand of their signatures. Therefore the hostmen, who had been trying for years "to get the Disposition of this Charity into their Hands," and realizing that their monopoly plans were threatened by the keelmen's action, obtained the co-operation of their fellow Newcastle-magistrates to represent that the majority of the keelmen had signed a counter petition asking for the government of the hospital and charity to be entrusted to the owners. This was "the blackest Design that has ever been seen of the kind in this Nation," but by "Horrid and Barbarous Methods" a few of the men had been prevailed

93. (Defoe) The Case of the Poor Skippers and Keel-men of Newcastle n.p.n.d. (1712).

upon to draw off from their first petition." He questioned if it was likely "the poor Keel-Men should willingly Petition to be under the Government and Direction of those, who are the very Men that have oppress'd them." (94) Two days later, he printed the first petition and another to Parliament which answered the counter petition produced by the hostmen-fitters by the charge that their employers had induced some of them to sign by threatening them with being turned out of their keels. (95)

The hostmen also published a pamphlet in reply to what they said had been represented as the case of the keelmen, "by a Mercenary Writer well acquainted with some Instances of the Wasting and Misapplying their Money, Collected for better Ends", alleging instead that this had been consumed in "Rioting, Drunkenness and other unnecessary Expences." They maintained that the counter petition had not been obtained by undue pressure and repudiated Defoe's assertion that the keelmen's first petition to the Queen had been signed by above a thousand of them, asserting that it had only been signed by their steward and two other persons. This seems a meer quibble as the petition which Defoe had printed in the 'Review' admittedly only carried the signatures of John Ker, steward of the hospital, and John Hodgson and Alexander Forbes, keelmen, but probably represented the views of most of them. The true interest of the hostmen, however, seems to be revealed by their statement that the Bill

94. Review, Vol. VIII (No. 140) pp. 563-564.
95. Ibid, (No. 141) pp. 565-568. Mr. J.M. Fewster's conclusions substantiate Defoe's recognition that the keelmen's struggle for incorporation had wider implications. As it was a key issue in their fight for better conditions, so the hostmen's best prospect of gaining control over them was through the management of their charity which could have developed into a trade union. See "The Keelmen of Tyneside", Durham University Journal, Vol. L (1957-1958), pp. 24-33, 66-75,

which the Mayor of Newcastle was promoting would "prevent many such Tumultuous Riots as have frequently been raised and continued, by the Misapplication of that Charity-Money" as in an "entire Stop of the Coal Trade," in June and July 1710 which had only been suppressed by sending Lord Hay's Regiment from Hull. (96) In a second pamphlet they objected to being asked to account on oath for the sums which they had deducted from the wages of the keelmen for the upkeep of the hospital. (97) Information on subsequent developments is defective but Defoe's efforts on behalf of the keelmen's charity seem to have been as fruitless as his attempt to arrest the tendency towards monopoly in the Newcastle coal trade. (98) The extracts which F.W. Dendy printed from the records of the Hostmen's Company suggest that the owners had gained control of the charity by 1723. (99)

Defoe also thought that the growth of wagering was linked with the spread of insurance, "Wagering, as now practis'd by Politics and Contracts, is become a Branch of Assurances; it was before more properly a part of Gaming, and as it deserv'd, had but a very low esteem; but shifting sides, and the War providing proper subjects, as the contingences of Sieges, Battels, Treaties, and Campaigns, is increas'd to an extraordinary Reputation, and Offices were erected which manag'd it to a strange degree and with great Advantage, especially to the Office-keepers; so that as had been computed, there was not

96. The Case of the Poor Skippers and Keel-men of New-Castle, Truly Stated (n.d.)
97. The Case of Charles Atkinson, John Johnson, John Simpson, and great Numbers of the Trading Hoast-men ... (n.d.)
98. Infra, pp. 973-981.
99. F.W. Dendy, op. cit., pp. 186-191. The extract from the Hostmen's Records on p. 205 shows that the charity was discontinued in 1729.

less Gaged on one side and other upon the second Siege of Limerick than Two hundred thousand Pound." (100) Thus the addition of eighteenth-century Englishmen to gambling (101) had become marked before 1700. He tried to counter its growth by exposing the tricks of the experienced gambler in a wager on whether a certain town in Flanders would be captured. In league with the "Office-keeper at a "Gaming Ordinary," he was able to influence the odds being successively offered so that by timing his bets on both eventualities he gained, whatever the outcome of the siege. He concluded, "in such a Knot 'tis impossible to lose; for it is in any Man's or Company of Men's power, by any Artifice to alter the Odds, 'tis in their power to command the Money out of every man's Pocket, who has no more Wit than to venture." (102) In February 1711, he attacked "the great Error in our Publick Lotteries, of making one or more Exorbitant Prizes and leaving the Numbers of Blanks at so great Odds against the Prizes, that a very few are Gainers ... tho' there is a seeming Equivalent in the Interest, yet as appears by the Sale of their Tickets, (the holders of blanks) are really 30 per Cent. Losers by their Money ... the Clamour and Noise of a Thousand Pound a Year, is a Bait to simple People, and hooks many in, Cheating their Imagination, and filling them with Expectations of what but one Man in an HUNDRED and fifty Thousand can enjoy." (103) In this he was condemning the essential principle of a lottery for at that date both the

100. An Essay upon Projects, pp. 171-172.

101. T.S. Ashton, An Economic History of England: The 18th Century (1955) p. 24.

102. An Essay upon Projects, pp. 175-178.

103. Review, Vol. VII (No. 138) p. 551.

holders of blanks and the holders of prizes received an annuity of 6 per cent. for 32 years, the prizewinners receiving this amount on both their investment and prize which would not be paid until the end of the term. His estimate of 30 per cent loss is presumably how much he thought the interest fell short of the existing market rate for loans. (104)

In 1719 he published two issues of a paper "The Gamester," in which he attacked the practice of insurance in connection with the two state lotteries of £500,000 of that year, the first since 1714 when the last of Harley's six lotteries was subscribed. In the meantime the annuity offered had fallen to 4 per cent, but more important, these were the first English state lotteries in which the holders of blanks received no interest on their investment and were thus like the present premium bond scheme. According to the account which Defoe gave in September,

"the Men of Money, who had bought Numbers of Tickets at first, in order to Sell them out Dear, and Jobb the Town as formerly, were Bitten by their own Bite; for the People, who had not been much used to a Lottery in England, where there was no Interest or Fund established for the blanks, began to be Pall'd, and not so eager to Buy as usual ... and the number of the Tickets being so prodigious Great, as in both Lotteries to be above 330000, ... and the day before the Lottery began to be Drawn, they were sold at Half-a-Crown loss each Ticket.

Upon this appearance of Discouragement in the Adventurers, some cunning Men ... Contriv'd to form Schemes to Insure the Adventurers of their Blanks, and Sharing with them the Benefit of the Prizes. ... the New Company or Society for Insurance of Ships, published several Advertisements that they would undertake the

104. J. Ashton, A History of English Lotteries (1893) pp. 51-60; R.D. Richards, 'The Lottery in the History of English Government Finance 1694-1826' Economic History supplement to the Economic Journal (1934) Vol. III, pp. 59-73. Jacob Cohen, 'The Element of Lottery in British Government Bonds 1649-1919' Economica (n.s.) XX No. 79 says that the effective rate on the 1710-11 loans was 8.3 per cent.

like, and subscribed 120000 l. for that purpose. This some call'd a Fraud or a Cheat, and a Book was publish'd, call'd 'The Gamester,' ... undertaking to lay open the Proposal, and to shew how Unfair it was:" (105)

In their rather more attractive second scheme, in which the "adventurers" kept their prizes, the company offered to insure a batch of 12 tickets, which cost the purchaser £36, against the chance of his receiving less than a further £19.10s. For a payment of £16.10s. they promised to make up the amount by which his prizes fell short of £36. If he had 12 blanks he would receive a net £19.10s. from the company, plus the return of his £16.10s. but the odds were that each batch of 12 tickets would contain two prizes of £10 or one of £10 and one of £25. In the latter case, he would receive £1 from the company which would thus gain £15.10s. The maximum gain by the company, £16.10s. would only arise in the unlikely event that the prizes totalled more than £36.. (106) Defoe argued that the odds were 13 to 9 that 12 tickets would have two prizes, compared with 13 to 11 offered by the insurers, and that better odds could be obtained at White's or the Groom Porter's. (107) He complained that fairer dealing was to be had at the latter establishment, "where the greatest of Sharpers and Bites make up the Assembly" than amongst the insurers who were "publicly taking in People at the worst of the Lay" under "the specious

105. Mercurius Politicus, Sept. 1719. pp. 553-554. He proceeded to quote extensively from 'The Gamester.' In the June issue when the tickets were first offered for sale, he had reported that the subscribers had been "so far from hanging back" that the tickets had been sold at "an advanc'd Price," but sales may have slowed after an initial rush to buy.
106. (Arenarius) A Letter to the Gamester (1719), pp. 1-16.
107. The Gamester. A Benefit Ticket for all that are concerned in the Lotteries ... (1719) No. I, p. 9.

Name of Insurance." "What may we not fear," he enquired, "from this honourable Company of Projectors, if their next Projects are as well and as artfully calculated for their own Advantage as this? Indeed Mr. Law's Bank at Paris wou'd be but a Trifle to it: Nay, 'twere easily demonstrable, that all the Country of Mississippi, or ev'n the whole Indies themselves, were not capable of bringing or returning such Riches to their Proprietors as this might. Gamesters reckon 120 l. Pharo-Bank a good one, which yet has not such great Odds; yet, with it, we defy the Bank of England to break it, ... what Work might we see from a Bank of 120000 l. founded upon such Principles and Schemes ... it wou'd be a tempting Thing to be a Tallier at such a Bank; ..." (108) It seems that Defoe's dislike of any appearance of stock-jobbing and his journalistic tendency to exaggeration had run away with him, for the author of the reply to his two pamphlets maintained that the company would make a profit of not quite $4\frac{1}{2}$ per cent on their first scheme and less than $3\frac{1}{2}$ per cent on their second, compared with Defoe's estimate of 10 per cent, because they would be paying out more than Defoe estimated to the less fortunate investors. He calculated that to gain a profit of £3000 upon their second scheme, the company must insure 29,250 tickets, and that if they insured the whole lottery their profit would be £17,300 compared with Defoe's suggested £53,000. (109)

It is, however, the light which these pamphlets throw on his economic ideas, rather than the accuracy of his criticisms

108. The Gamester, No. II, pp. 9-10.

109. A Letter to the Gamester, pp. 12-16.

of this insurance scheme, which is important. He regretted the failure of those who criticized the follies of the time to censure the "most reigning and predominant one amongst us, which in most Places of publick Resort ever occurs to View, and tends most to debauch our Manners, and ruin the Nation, viz. Gaming." (110) A weekly paper "familiarily explaining" the mathematical chances in wagering might be useful "to instruct the People how to lay their Money, and very instrumental to the abolishing of Gaming." Naturally, he deplored the large sums that could be won by gaming compared with the income from trade and industry, claiming that he had known a friend "in 3 or 4 Hours time, from the Groom-Porter's to White's, and from White's to Exchange-Alley, for Stock-jobbing, ... is only another Word for Gaming, ... has return'd more Money in that short time, than a substantial Citizen has done in his Shop in a Twelvemonth." (111) But it was the damage done to trade by the diversion of human ingenuity into such schemes that was most serious. "If these Things are encouraged, how can we expect Trade to flourish; when instead of applying our Heads to the Improvement of our Trade, and bringing it to a better Ballance with other Nations, ... we are only studying and putting our Brains upon the Stretch, how to invent new Projects and Schemes, ... to draw in, and over reach our Fellow-Citizens and Neighbours to their Hurt and Detriment." (112) But "destructive gaming-houses" remained "the bane of our youth, and ruin of our children and servants," for it was not the

110. Steele's Guardian No. 120, July 29, 1713 had attacked the evils of female gambling.

111. The Gamester, No. 1, pp. 3, 12.

112. Ibid, No. II, p. 9.

defects of this particular lottery but gambling as a general social evil and an interruption of the natural circulation of money through trade that most concerned Defoe:

"This is the most unprofitable Evil upon Earth, for it only tends to alienate the proper Current of Specie. I take the Itch of gaming to be the most pernicious of Vices, it is a kind of avaritious Madness; if People have not Sense to command themselves by Reason, they ought to be restrained by Law; ... There is no playing on the Square with these Villains; they are sure to cheat you, either by sleight of Hand, Confederacy, or false Dice, etc. they have so much the Odds of their infatuated Bubbles, that they might safely play a Guinea to a Shilling, and yet be sure of winning. This is but genteel Pocket picking, or Felony with another Name, and yet, so fond are we of it, that from the Footboy to the Lord, all must have a touch of gaming; and there are Sharpers of different Stations and Denominations, from Southwark-Fair to the Groom Porters..."

It was intolerable that "honest laborious Tradesmen should be obstructed in crossing the public Streets by the gilt Chariots of Vagabond Gamesters; who now infest the Land, and brave even our Nobility and Gentry with their own Money." "Noted gamesters were to be found among the chief creditors of recent bankrupts, whereas "if Cards, Dice etc., were totally suppressed, Industry and Arts would increase the more." It was "the Bane of all Conversation" and "a most stupid Thing to hazard one's Fortune, and perplex one's Mind; nay, to sit up whole Nights, poring over Toys of pipt Ivory and painted Pasteboard, making ourselves worse than little Children, whose innocent Sports we so much ridicule." (113)

In Defoe's stock of economic ideas, credit occupied a most important, if not dominant, place. As money had taken the

113. Andrew Moreton (Defoe) *Augusta Triumphans*, (1728) pp. 38-41. In *Street Robberies Consider'd* (1728) pp. 55-56 he criticized gentlemen for paying their gambling debts before their debts to tradesmen and declared that when a man was a known gamester he should be shunned "like one that had the Plague, or Perjuror or a Sodomite."

place of barter, and had thus facilitated a great increase of both domestic and international trade, this expansion in turn had demanded an additional medium of exchange and the function of metallic currency was extended by various forms of paper credit.

"The course of trade being thus turned, from exchanging of goods for goods, or delivering and taking, to selling and paying, all the bargains in the world are now stated upon the foot of a price in money; and though it be at any time an exchange of goods for goods, yet ever those goods are on either side rated at a price in money.

Though this was a great assistant to trade, and gave a liberty to the increase of commerce more than ever it had before, yet such was the great increase of trade, that it even over-run the money itself, and all the specie in the world could not answer the demand, or be ready just at the time trade called for it. This occasioned, That when A bought more goods of B, than A had money to pay for, and B having no need of any goods that A had to sell, it behoved that A should leave his goods with B for a certain time, in which A was to provide the money for the said goods: And this was done, both from the occasion B had to sell his goods, the occasion A had to buy them, and the opinion B had of A's integrity and ability for payment.

And this is the great thing we call credit." (114)

The transaction could have been described more accurately, for A would probably take all the goods initially, for sale or the next stage in their preparation for market, but his idea of the origin of credit is clear enough. This further expansion of trade by credit, the resulting financial crises and the part which credit played in financing the heaviest war in which England had yet been engaged, made such a deep impression on

114. An Essay upon Credit (1710), reprinted in Somers Tracts, vol. XIII, p. 29.

Defoe that he wrote in extravagant terms of the almost magical powers of credit.

"... we felt in the late wars the consequence of both the extremes, viz. of wanting and of enjoying a compleat fund of Credit.

Credit makes war, and makes peace; raises armies, fits out navies, fights battles, besieges towns; and ... it is more justly call'd the sinews of war, than the money itself; because it can do all these things without money: nay, it will bring in money to be subservient, tho' it be independent.

Credit makes the soldier fight without pay, the armies march without provisions and it makes tradesmen keep open shop without stock ... it is an impregnable fortification, either for a nation, or for a single man in business; and he that has credit is invulnerable, whether he has money, or no: nay, it will make money ... without an intrinsick, ... it adds a value, and supports whatever value it adds, to the meanest substance; it makes paper pass for money, and fills the Exchequer and the Bank with as many millions as it pleases, upon demand. It may be true ... that we cannot drive a trade for more goods than we have to trade with; but then 'tis as true, that it is by the help of credit that we can encrease the quantity, and that more goods are made to trade with, than would otherwise be; more goods are brought to market than they could otherwise sell; and even in the last consumption how many thousands of families wear out their cloaths before they pay for them, and eat their dinner upon tick with the Butcher?" (115)

Possibly because the machinery of credit was imperfectly understood, he described it in figurative terms which emphasized its erratic and mysterious fluctuations, its almost capricious instability.

"That substantial Non- Entity call'd CREDIT seems to have a distinct Essence (if nothing can be said to exist) from all the Phenomena in Nature; it is in it self the lightest and most volatile Body in the World, moveable beyond the Swiftness of Lightning; ... it is all Consequence, and yet not the Effect of a Cause; ... A perfect free Agent acting by Wheels and Springs absolutely undiscover'd; it comes without Call, and goes away unsent, if it flies, the whole Nation cannot stay it; if it stays away, no Impor-tunity can prevail for its Return - No Law can reach

it, Acts of Parliament cannot influence it; ... it comes to a Man, or a Body of Men, or a Nation insensibly, as Dust upon the Cloths, it goes imperceptibly, as Light vanishes into Darkness; ... Where there is no Occasion for it, it will stay whether you will or no, and seems to love those who have no Use for it; once to want it, is effectually to lose it; like the Vermin in a House, it always flies when the House is falling, ... it has the effectual Power of Transmutation - For it can turn Paper into Money, and Money into Dross - While it lives with a Merchant, he can trade without a Stock, draw Bills where he has no Effects, and pay Bills without Money; if it forsake him, his Trade dies, ... By this Invisible, Je ne seay Quoi, this Non-natural, ... all our War and all our Trade is supported. The Commerce of England is at this time carry'd on to a hundred Millions Sterling a Year of Returns, more than there is Specie of Coin to negotiate; the War is carry'd on with an hundredth Part of the ready Money that it would otherwise require - ... This is the Wheel within the Wheel of all our Commerce, and all our publick Transactions - By this you have fought, and by this you conquer ..." (116)

He often resorted to allegory, in which "the Fair Lady Credit" his "Favourite Mistress," was portrayed as an almost fickle jade, (117) but in this instance he stressed the dependence of credit on a ready supply of money and the convertibility of paper into cash: "Money has a younger Sister, a very useful and officious Servant in Trade, which in the absence of her senior Relation, but with her Consent, ... is very assistant to her; frequently supplies her place for a Time, answers all the Ends of Trade perfectly, and to all Intents and Purposes, as well as Money her self; only with one Proviso, That her Sister constantly and punctually relieves her, keeps time with her, and preserves her good Humour: but if she be never so little disappointed, she grows sullen, sick, and ill-natur'd, and will be gone for a great while together: Her Name in our Language is call'd CREDIT, ..." (118)

116. Review, Vol. VI (No. 31) p. 122. Cf. 'An Essay upon Credit'

117. Ibid, Vol. VII (No. 57) p. 221; (No. 102) p. 405.

118. Ibid, Vol. III (No. 5), p. 17.

As might be expected, he claimed that no country in the world made "so much use of this Equivalent in Trade" as the English. He did not think that this arose "from any peculiar probity" on the part of his countrymen, because he accepted that punctual payments were probably more regular abroad, but from "the vast and Prodigious Circle" of the English home trade. Because they bought and sold such large quantities of goods from their own knowledge of their worth, "or by Personal Recommendation," they gave "larger Credit than any Nation in the World." It was demanded "as a kind of Debt in Trade, and a Young Man, that begins the World with a Thousand Pound Stock, depends upon it, and may be certain, that he can stock his Shop, or Ware-house, with two Thousand Pounds in Goods, the Remainder he has six Months time for, or perhaps more." A tradesman in a large way of business, who "deals constantly and considerately with another, and pays Currently in six Months time, shall Buy as Cheap as he that comes now and then with small Summs of Ready Money in his Hand." Unfortunately, many tradesmen paid little regard to their times of payment so that he that bought at six months, paid at nine or twelve, but this was the road to bankruptcy. (119) They also made great use of credit because they understood how to manage the credit they both gave and took, better than any other tradesmen in the world and had a greater opportunity to improve it. Thus English tradesmen frequently carried on "a prodigious trade with but a middling stock of their own." He related that he had known a man in a private ware-house in London trade for forty thousand

pound a year, "and carry on such a return for many years together, and not have more than one thousand pound stock of his own, all the rest being the stocks of other men running continuously through his hands." Similarly credit began with the manufacture. A country clothier "buys his Wooll at the Staplers, or Fellmongers, at two or three months credit, ... his oil and soap of the country shop-keeper, or has it sent down from his Factor at London, and gets longer credit ... so that a Clothier of any considerable business, when he comes to die, shall appear to be four or five thousand pounds in debt." But his books would reveal that his Blackwell-hall factor owed him £2000 for his cloth which he had not yet sold, drapers and merchants £4000 more, while stocks of materials at various stages of manufacture made up the same amount. Therefore he left an estate of £5000 to his children, which was the initial value of his stock. This had been doubled "by the help of his credit" and as he traded for three times this larger figure, his total turnover was £30,000 a year. On this basis, he estimated that two-thirds of England's trade was carried on upon credit, in some trades four-fifths and in others even more. (120) When he was desperately striving to repair the financial standing of Harley's ministry during the credit crisis of 1710-11, he used one of his favourite "chain-of-consequence" arguments:

1. ... As you are a Nation that Trade Twenty Million Yearly beyond your real Stock, you cannot carry on your Commerce without Credit. -
2. As you are a Nation involv'd in a War, which War is carried on at an Expence, which to be paid

Annually in Specie, your whole Stock of Specie, and your whole Produce, as you been already Exhausted, is not able to defray - You cannot carry on the War without Credit - 3. As you have a vastly extended Manufacture, upon which depends the Employment of your People, this Manufacture could not subsist without Credit, nor could it Employ half of your People, ... 4. As you have an Improv'd Country, feeding a most Populous Nation, Cultivated by a Numerous Peasantry, and finding Labour for the Hands of Innumerable Poor, you must have Credit to support those People who consume the mighty Produce - See the dependance of one part upon another, and how Credit fastens every Link in the Chain.

The Landlord trusts the Tenant, the Shopkeeper trusts the Landlord, the Wholesale-Man trusts the Shopkeeper, the Manufacturer trusts the Wholesale-Man, the Merchant trusts the Manufacturer, the Government trusts the Merchant, and all these together trust the Government - And who will trust that Government that will not Protect the Person that trusts it? Upon Justice depends the Law, upon the Law depends Peace, upon Peace Safety, upon Safety Trade, upon Trade Credit, upon Credit all Things." (121)

The basis of credit, particularly the personal credit of the individual tradesman was "fair and upright dealing, punctual compliance, honourable performance of contracts and covenants; in short, 'tis the offspring of universal probity." He cited a prince of high birth and noble fortune, who never wanted money but, because he would not pay anyone regularly, "the barber would not trust him for a perriwig." While he lacked credit, a count of moderate fortune, who paid punctually, was "rather crowded with shopkeepers to petition for his custom." Although it was a Moslem doctrine not to keep faith with Christians, their practice in trade was so "just, punctual, and honourable" that Europeans gave them credit "without scruple;

ney, rather than a Christian." (122) Credit, he insisted, "is so much a tradesman's blessing, that 'tis the choicest ware he deals in; ... 'tis a stock to his ware-house; 'tis current money in his cash-chest: it accepts all his bills; for 'tis on the fund of his credit that he has any bills to accept." It was as precious as a lady's virtue for it was "the Tradesman's life; ... marrow to his bones." It was "better than money many ways" for a man with £10000 in money, but without credit, could not trade for a shilling more, whereas one who paid his bills punctually was "a bank to himself" and could buy what bargains he pleased. (123)

By "Credit in Trade", however, he meant one tradesman buying of another to sell again. This was the "Life and Soul of our General Commerce," but retail credit, "like the best Antidote ill applied, proves the worst Poison, (124) was a "Leprosy of Trade" (125) which often forced tradesmen into bankruptcy when the value of their goods at credit in the hands of the gentry would pay all their debts. (126) Therefore, "all Trade begins in ready Money and ought to end so." Primary products were usually sold for cash and the employees in industry were generally paid in specie. Similarly, "the labouring People that depend on every Day's Employ, for every Day's Bread, can give little or no Credit ... if they can live till every Saturday night, upon Common-Credit of the Victualling Houses, or extraordinary Husbandry, ... 'tis as much as can be expected."

122. 'An Essay upon Credit,' Somers Tracts, Vol. XIII, pp. 29-30.

123. The Complete English Tradesman, I, pp. 343, 364.

124. Review, Vol. V (No. 130) p. 519.

125. Ibid., Vol. III (No. 7) p. 26.

126. Ibid., Vol. V (No. 130) p. 519.

Credit was vital in the intermediate stages of trade but retail credit was "the Destruction of Credit, and of Trade it self."

(127) Although he was reluctantly forced to grant that luxurious living by the gentry encouraged trade, (128) this was only true if they paid cash for their purchases. Long credit was ultimately to their disadvantage because the shopkeepers overcharged them to allow for their slow payment and their large debts had frequently caused the ruin of many noble families. He recalled the notion that there had been a conscious design by some of the Tudor and Stuart kings to encourage them to live beyond their means in order to make them ready "to betray the Liberty of their Country for a Pension." (129) It was also "the Dishonour of our English Gentry to run in Debt to Scoundrels and Mechanicks." He asked them to consider "what Havock Tradesmen make of their Reputation; how they Expose them on every occasion; how they put off their own Creditors, by Scandalously Exposing their long Accounts with them." It was a wonder "how tamely our Gentlemen will take the Insults and Language of a Dunning Shopkeeper or Workman; when for half that Language among them selves, they fall to Cutting of Throats, Duels, and I know not what Extravagances." Therefore, he advised the Gentry to borrow money rather than demand credit because he would not pay such extortionate rates as he paid his tradesmen. (130) Two years credit must consume at least one

127. Ibid, Vol. III (No. 9) p. 33-34. But not one shopkeeper in twenty was able to practise "no Trust by Retail" for those who gave credit would take all the trade, Commentator, No. LII, 1 July 1720.

128. Supra, pp. 58-60.

129. Review, Vol. III (No. 7) p. 27.

130. Ibid, (No. 8) pp. 29-31.

fifth of their estates, for otherwise "the Tradesman could not live." (131)

As always, Defoe was most concerned with the benefits which such a reformation would bring to trade rather than with its relief for gentlemen's estates. "Every Prodigal is a Moth in the Commonwealth;" he exclaimed, "Not as he helps to crowd it with Beggars only, but as he lays the Foundation of National Evils that eat into the Vitals of Trade, and lessen the Publick Prosperity." "If only the gentry would live "within Compass," "they would not only grow Rich them selves, but they would lay the Foundation of a Currency in Trade, that would soon make the whole Nation Thrive, and effectually change the Face of Trade in this Kingdom." Because the retail tradesman would then only fail from want of trade or his own extravagance, the regular cash purchases of the gentry would enable him to

"so Proportion his Payments, as always to Answer his Credit, and maintain an exact Currency of Bills; he would be able, first to Pay Notes, and then to give Notes; his Bills would be as Valuable as a Goldsmith's; and being constantly Paid, they would not be so constantly Demanded ... every Shopkeeper would be a Bank; his Current Bills would pass from Man to Man, and Universal Punctual Dealing would overspread Trade; the Power of Paper-Credit would prevail to enlarge Trade, Supply the Want of Bullion, and Answer every End of Money.

... Punctual Payment ... would run thro' every other part of Trade; the Tradesmens Bills being Current, and Time of Payment kept Sacred; the Merchant or Wholesale Traders, would on every Sale, state their Times of Payment, and give Bills; the Merchant with these Bills, busy again of the Factors, and can Export their Cargoes sooner, ... they would always have Cash to Pay Duties, and not be oblig'd to Pawn their Wines to Goldsmiths and Extortioners, nor Discount their Bills at Extravagant Rates, for Ready Money.

.....
all the Payments for Provisions and other Produce of

Land, would yet be more Punctual, Rents would be Paid Currently, and here the Circulation would meet; the Tenant being Enabled to pay his Rent well; the Gentleman would again be Enabled to perform, the so much desir'd and Honourable Method, of Buying all things with Ready Money, which is the Life and Soul of Trade." (132)

The previous Saturday, he had hinted that he was going to discuss the above 'Article of Paper Credit.' If this were established "on a right Foot," it would "supply the Place of this Precarious, Uncertain, and Pernicious Credit, that now runs thro' our Inland Trade, to the manifest Destruction of Trade it self." Although he considered that the recent Act for the "General Currency of Inland Bills" had had little effect by 1706, it was "a Door opened to all the Nation, to see their Remedy too, if they had but the Sense to close with it." (133) He was thus very conscious of the growing need for the development of further credit instruments and facilities in the financing of internal trade. The accounts of Abraham Dent, shopkeeper of Kirkby Stephen, show that even in the second half of the eighteenth century, there were some barter transactions such as tea in exchange for cloth, and tea and cloth in return for flour, between the shopkeeper and his suppliers, that credit was granted in almost every purchase of goods for the shop and that cash and bills of exchange, often taken by carriers between one tradesman and another, were the chief methods of payment. (134) Writing in March 1706, less than a year after inland bills became legal tender, Defoe asserted that if their currency

132. Ibid., p. 35.

133. Ibid. (No. 6) pp. 22-23.

134. T.S. Willan, An Eighteenth Century Shopkeeper, Abraham Dent of Kirkby Stephen (Manchester 1970) pp. 42-48.

could be fully established, £20 million would be added to "the Running Cash of the Nation." Although "the real Stock" would not be increased, "the Imaginary Stock in Bills, they being as Sacred, as Money and Current" would have "this undoubted effect, that you would never have a Scarcity of Money, upon any Emergency Trade would always be supply'd." Bills were equivalent to specie; although a bill for £100 was only a bit of paper, it was as effective as so much silver. The way then, he claimed, "to treble the Value of our Stock in Trade, is to make Current the Tradesmens Bills; if every Banker has as much Stock in his Trade as he can pass upon his Credit in Bills, so would every Shopkeeper." By passing these bills, a tradesman may

"keep the £100 in his Hand seven Year, turns and winds it in Trade, gets 10 per Cent, three or four times by returning it, and his Credit passing in the Bills, keeps off the Payment, and supplies him with this Money without Interest. ... what shall not a Tradesman get, when ... he shall pass his Bills thus for ten thousand Pound, Trade for four times that Sum in a year, put his own Stock out to Interest, and pay all Mankind in Paper. To say he must pay these Notes at last, is to say nothing, ... for he shall never pay them, but while he at the same time coins new Notes, as fast as he pays the old ones off, and he shall never cease the Circulation, unless by any Defect he disobliges his Credit." (135)

Of course he exaggerated the extent to which credit could be created by each tradesman acting as it were as his own banker, but the punctual discharge of credit obligations was central to his ideas on this question. He seems to have thought that this would have the same effect as a bank's encashment of bank-notes on demand and thus avoid the danger of over issue. He

also envisaged the Bank of England as a powerful central bank with presumably ultimate control of the credit of the country, although he did not specifically touch on this problem.

For the tradesman the greatest danger was from his own shortcomings rather than from bad trade, but again long credit was at the heart of the matter. Although it was not the giving but the taking of credit that was "the Injury to Trade," a tradesman took long credit because he gave it "and the farther Goods are remov'd from their Original, the longer Credit is given - ... Moderate Credit punctually Comply'd with, without doubt is an Advantage to Trade every way; Exorbitant Credit Ruines Trade, reduces Buyer and Seller." (136) He warned tradesmen, "Do not Trade over much; Why shouldest thou be in Gaol before thy time?" He continued,

"there are more People ruin'd in England, by over Trading, than for Want of Trade; and I would from my own unhappy Experience, advise all Men in Trade, to set a due Compass to their Ambition. Credit is a Gulph which is easie to fall into, hard to get out of ... The best and most flourishing Tradesmen fall into Disasters. We have had fatal Blows to Men of Fortunes in England, by Trade, the Viners, Forths, Backwells, Cudworths, and such Men are standing Instances of the little Guard great Estates are to the Surprize of Trade; and 'tis not every Man, that, tho' he has a Bottom, has the Reputation in Trade to support him self in time of a Disaster.

... The Tradesman has the most need of that Petition in the Lord's Prayer, of any Man living, 'Lead us not into Temptation.' One Capital Blow has its infinite Dependences in Trade. A is a great Merchant; the French fall in with the Turkey Fleet, and take them, and he loses 20 or 30 thousand pound; and the Consequence is he breaks; his Breaking falls heavy upon B, C, D, E, and others; ... and their Reputation being not able to bear them up under the Publick Report, as well

as Burthen of such a Loss, Break too: As he has broke six, they break 20; and these 20, a hundred; ... all this is the Effect of Credit of Men trading beyond their Stocks, and both giving, and taking, exorbitant Credit.

... were the Reputation of Trade so settl'd, that neither giving nor taking Credit could out-live the first Decay of a punctual Compliance, the Disasters of Trade cou'd never be so frequent." (137)

Discussing the reasons why men break, he again rejected an individual tradesman's "want of Trade" but also "lowness of Trade in General, of which I believe not a Moyety we Complain of, nor the Superiority of the Dutch over us in Trade, of which I believe not a Word," "the Indentures made in Trade" by French privateers, the stop of the Spanish trade or the slowness of the Government to pay its creditors, such as "the Non-Payments of Transport Service, etc.," because of "the Deficiencies of Publick Funds." His conclusion was that knaves broke first and pulled honest men down with them. (138)

Although Defoe suffered loss from French privateers (139) and no doubt had his share of other external misfortunes, his first bankruptcy must have been due, in the main, to over-trading and to a taste for high living and social position rather than to any public disasters of trade. To fail for £17,000 in 1692 was no small sum after only twelve years in business and suggests that he had been guilty of those failings against which he so strongly counselled others. (140) He cautioned tradesmen against carrying too large a stock, except in those trades, such as retailing, where they were obliged to

137. *Ibid.*, (No. 7) p. 25.

138. *Ibid.*, (No. 18) pp. 69-70.

139. *Supra*, pp. 63-65.

140. See the excellent chapter on 'The London Merchant' in J. Sutherland, *Defoe*, pp. 26-47.

offer a wide choice of goods. "A well-experienc'd tradesman had rather see his warehouse too empty, than too full: if it be too empty, he can fill it when he pleases, if his credit be good, or his cash strong ... A few goods, and a quick sale, is the beauty of a tradesman's warehouse." (141) Earlier, he had noted "the eager grasping at more Trade than he can manage with his own "as one way in which credit in trade could prove a snare. (142) Although he stated that he did not wish to make "a galley-slave" of his shopkeeper "and have him chain'd down to the oar," his frequent admonitions to him to attend to his business suggest that Defoe had always too many other interests to devote himself whole-heartedly to his trading career. (143) His warning against immoderate expenses also seems to spring from personal experience. There were "so many sober extravagances, and so many grave, sedate ways for a Tradesman's ruin" which were "so much more dangerous than those hair-brain'd desperate ways of gaming and whoring." "Expensive living" was "a kind of slow Fever ... a secret enemy "which fed upon the vitals, attacking the two most essential branches of his trade, his credit and his cash. It took four forms, expensive house-keeping, or family extravagance; expensive dressing; expensive company; and expensive equipage, "making a shew and ostentation of figure in the world." (144) There seems little doubt that he would have liked to be a gentleman. (145) He had his house in the country for weekends and he told Harley that twice he

141. The Complete English Tradesman, I, p. 50.

142. Review, Vol. III (No. 6) p. 22.

143. The Complete English Tradesman, I, pp. 87, 48, 56, 88-90.

144. Ibid, pp. 111-112.

145. M. Shinagel, Daniel Defoe and Middle Class Gentility (Cambridge, Mass. 1968) pp. 27-31, 109, 121, 212.

had owned coach and horses. (146) He also admitted that the successful tradesman faced the temptation of adventuring beyond his business "into Hazards, great Undertakings, capital Adventures." Otherwise, not so many families would have been ruined "in the late distracted Times" of speculation which culminated in the South Sea Bubble.

"... perhaps he is fuller of Money than his Trade calls for; and as he scarce knows how to employ more Stock in it than he does, his Ears are the sooner open to any Project or Proposal that offers itself
1. He is first of the Opinion, ... that no Money ought to be idle: what though it is an Adventure a little out of his Way? he only employs some loose Corns in it, ...
2. That 'tis a proper Undertaking; that it may hit, and then he shall do his Business at once; ... he is a meer Trade Lunatick ever after ..."

He countered any suggestion that he spoke too feelingly upon this subject by the remark that an old sailor who had lost his ship because of a sunken rock was "not the worst man to make a Pilot of for that Coast." Trade, however, remained "a safe Channel to those that keep in the fair Way." (147)

Defoe was also guilty of some very dubious transactions during his commercial career and even as late as 1724 the prospect of another business venture was again too powerful for his Puritan upbringing. (148) In 1705 he acknowledged his offence in the 'Review': "I freely rank myself with those, that are ready to own, that they have in the Extremities and Embarrassments in Trade, done those things, which their own

Principles Condemn'd; which they are not Asham'd to blush for,

146. J.R. Moore, Daniel Defoe, Citizen of the Modern World (Chicago, 1948) p. 47; Hist. MSS. Com. (Portland) IV, p. 88.
147. The Complete English Tradesman, II, Part 1, pp. 95-96, 102-103, 105.
148. J. Sutherland, op. cit., pp. 251-253.

which they look back on with Regret, and strive to make Reparation for, with their utmost Diligence." (149) Professor Sutherland has revealed that there were no less than eight occasions when he was sued for fraud and that some of the cases went against him. He pertinently comments that while there is the possibility that he may have been innocent, it is likely that he had not been "overscrupulous in some of his dealings." (150) The worst case was the notorious case of the civet cats in which he deceitfully involved his own mother-in-law to her financial loss and, no doubt, deep embarrassment, but this occurred in the final desperate days before his financial ruin. (151) In a later issue of the 'Review' he tried to defend himself by the argument from necessity which was so powerful a theme in his fiction. (152) He contended that the world had "a very unhappy Notion of Honesty" whereas "God's blessing was the Effect of no Man's Merit." That "Thriving Men are generally fair Dealers" could be more correctly stated "they are fair Dealers because they Thrive." Cheating by a rich man ought to be felony because he is not subject to the "wretched Necessities of Shifting and Tricking which another Man flies to, to deliver him self from Ruin." By contrast, "Poverty makes Thieves, as bare Walls make giddy Housewives; Distress makes K - s of honest Men, and the Exigences of Tradesmen, when in declining Circumstances, of which none can judge, and which none can express but those that have felt them, will make honest

149. Review, Vol. III (No. 22) p. 86.

150. J. Sutherland, op. cit., pp. 35-42.

151. F.F.M. Newton, "The Civet Cats of Newington Green" in Review of English Studies, Vol. XIII, January 1937, pp.10-19

152. M.E. Novak, "The Problem of Necessity in Defoe's Fiction" in Philological Quarterly, Vol. XL, No. IV, Oct. 1961, pp. 513-524.

Men do that, which at another time their very Souls abhorr - I own to speak this with sad Experience, and am not asham'd to confess myself a Penitent - And let him that thinketh he standeth take heed lest he fall." (153) Nevertheless, the disgrace of his bankruptcy was so acute that it remained vividly before his mind for the rest of his life, (154) and on another occasion he gave a graphic description of the sufferings of a trader in his frantic struggles to avert the calamity, stopping one man's mouth with another man's money. Therefore, his advice to those declining tradesmen who were still struggling to hold their ground, was to "accept a Cordial from one, whose Fatal Experience, Entitles him to be a Doctor in this Case. BREAK, GENTLEMEN, for God sake, for your own sake, for your Creditors sake, for your Wife and Childrens sake, and for the Publick Good; BREAK, while you have something to Pay, something to show the Honest Man with; ... for all the Disaster of this Nation lyes here, not that Tradesmen Break, but that they do not Break soon enough." (155)

This first-hand experience of commercial disaster gave added point to his comments on the situation of the poor debtor in England at the beginning of the eighteenth century. Already, in the light of his first bankruptcy, he had been able to make many sensible observations in his 'Essay upon Projects'. He seized on the deficiencies of the existing harsh law, after the slight improvements made by the Acts of 1671, 1679 and 1690.

153. Review, Vol. VIII, (No. 75) pp. 301-302

154. Complete English Tradesman, I, p. 85.

155. Review, Vol. III (No. 22) pp. 86-87. Cf. (Erasmus) Philips, The Creditor's Advocate and Debtor's Friend (1731) p. 6.

He remarked in the Preface that he had kept the greatest part of it by him "for near five years" and he made no reference to the Act of 1696, probably because this was repealed in the same year that the Essay was published. While the law "gave a loose to the Malice and Revenge" of the creditor, it left the debtor "no way to show himself honest." Indeed it contrived "to drive the Debtor to despair" and made him "perfectly uncapable of any thing but starving." Commissions of bankruptcy with extensive powers had been authorized by 13 Eliz. c.7 and were extended by 1 Jac 1. c.15, appropriately styled "for the better relief of the creditors against such as shall become bankrupt." Creditors could petition for a commission, to be named against the bankrupt but they were able to nominate the members and the scales seem to have been weighted heavily against the bankrupt. Previously bankrupts had been able "to Compound and Set up again, and get good Estates; but a Statute, as we call it, for ever shuts up all doors to the Debtor's Recovery; as if Breaking were a Crime so Capital, that he ought to be cast out of Human Society." Yet "all this Cruelty to the Debtor is so far... from advantaging the Creditors, that it destroys the Estate, consumes it in extravagant Charges, and unless the Debtor be consenting, seldom makes any considerable Dividends." He conceded that when the Act of 1603 was passed, "Breaking to defraud Creditors" was so much a trade "that the Parliament had good reason to set up a Fury to deal with it," but he questioned whether these two main defects had not appeared,

- "(1) Whether the Length of Time since that Act was made, has not given opportunity to Debtors,
1. To evade the Force of the Act ... and secure their Estates out of the reach of it?
 2. To turn the Point of it against those whom it was made to relieve? Since we see frequently now, that Bankrupts desire Statutes, and procure them to be taken out against themselves.
- (2) Whether the Extremities of this Law are not often carried on beyond the true Intent and Meaning of the Act it self, by Persons, who besides being Creditors, are also Malicious, and gratify their private Revenge."

By various devices, "the Knave, against whom the Law was particularly bent," escaped while the honest debtor was "expos'd to the Fury of this Act." Nothing was easier than for a man to secure that his estate was little affected by a statute: "If the Bankrupt be a Merchant, no Statute can reach his Effects beyond the Seas; so that he has nothing to secure but his Books, and away he goes into the Friars. If a Shopkeeper, he has more difficulty; but ... there are Men (and Carts) to be had, whose Trade it is, and who in One Night shall remove the greatest Warehouse of Goods, or Cellar of Wines in the Town, and carry them off into those Nurseries of Rogues, the Mint and Friars; and our Constables and Watch, ... who shall stop a poor little lurking Thief, that it may be has stole a bundle of old Cloaths, worth 5s. shall let them all pass without any disturbance, and see a hundred honest men robb'd of their Estates before their faces, ..." Defoe described various other shifts by which he claimed that he had himself suffered from knavish debtors, in one case to the extent of £500 worth of goods carried directly from his warehouse into the Mint in the middle of the day! Therefore he proposed that a Commission of Enquiry into Bankrupts Estates should be set up. This was to comprise two citizens

from each of the 26 Wards, of whom 12 were to be merchants, and two barristers from each of the Inns of Court with a "Judge of Causes for the Proof of Debts," and a quorum should sit in the afternoons in the Guildhall. The bankrupt was to surrender his books and whole estate to the commissioners who would divide it between his creditors after allowing him five per cent of the value. He made various suggestions to prevent fraudulent concealment of effects, such as a reward of 30 per cent to any who should disclose this and punishing the bankrupt by putting him in the pillory before his own door followed by life imprisonment. Because this method would provide an easy deliverance for every honest debtor, only the knave would fail to take advantage of it and Defoe proposed that any tradesman who broke must pay his creditors in full, or apply to the commissioners, or be judged guilty of felony. He claimed that it "wou'd effectually suppress all those Sanctuaries and Refuges of Thieves, the Mint, Friars, Savoy, Rules, and the like," for warrants would be available from the magistrates to search them for the offender and his goods, assisted if necessary by the train'd bands. (156)

Some of these proposals appeared in the Bill which received the royal assent on 19 March 1706. (157) Thus a bankrupt who did not deliver up his estate to the commissioners was to suffer as a felon. If he surrendered, he was to be allowed five per cent. of the net produce of his estate, although this was not

156. An Essay upon Projects, pp. 191-227.

157. An Act for preventing Frauds frequently committed by Bankrupts, 4&5 Anne, C.4.

to exceed £200 and there was to be no allowance, except at their discretion, if the estate was worth less than 8 shillings in the pound. Naturally, Defoe praised this measure, calling it "a kind of Truce between Debtor and Creditor" and declaring that henceforward "the true Sanctuary of an honest Man will be in the Arms of the Law: Instead of flying from the Law for fear of Punishment, he now will fly to the Law for Protection." He insinuated that some drapers had opposed the bill because they took such large credit that they were loth to be deprived of the opportunity of breaking to advantage. Otherwise it was a complete mystery why "any Man of Trade in England should be against this Bill." All creditors were placed on an equal footing and the debtor had the great advantage of obtaining his liberty to make his way again in the world and "to recover the Reputation of his Integrity." There would now be fewer bankrupts because the fall of one man would not have "the same fatal Effect upon others, as it formerly had, when they lost Stock and Block," and "all the vast Sums squander'd away in the Mint, Rules, Prisons, Commissions of Brankrupts, in Suits at Law, bribing of Officers, and Prison-keepers" would be shared among the creditors. Thirdly, the fraudulent bankrupt had his way so "hedg'd up" that it would no longer be worth his while to break by design and not one in ten would attempt it. (158)

As the date when the Bill became an Act is given in the pamphlet, this was obviously published after March 29, 1706, but Defoe had begun to have reservations a fortnight before

158. Remarks on the Bill to prevent Frauds committed by Bankrupts . . . (1706), pp. 15, 16, 10-14.

the measure received the royal assent. On March 16, he asserted that as the Bill had been altered (he could not call it amended) in the Lords, no honest debtor would be the better for it, for he had to surrender himself and his effects within thirty days of becoming bankrupt and yet he remained entirely at the mercy of commissioners named by his creditors. It was the shortcomings of these "hir'd Tools," who had 10s. a day "for Ruining Families", that caused his misgivings. Were they always "Men of Honour, Sence, and Justice, or were they stated Persons appointed by Authority always as Judges, between Debtor and Creditor, the Debtor might have some Hopes of having some Justice", but generally they had proved "worse Thieves of the Debtors, than the Debtors have been of their Creditors." Too often they were "Mercenaries, Haughty, Insulting and Merciless Scoundrels," men whose trade was "the Blood of Families." (159) In February he had declared, "That Commissions of Bankrupt, tho' well design'd by the first Contrivers, are, as now practis'd in England, Pernicious to Trade, Destructive of the Interest both of Debtor and Creditor, and a very great occasion of the Common Frauds of Bankrupts, by making Men Desperate, and driving them to all Extremitites to Defraud and Cheat their Creditors." (160) Although the House of Lords had now restrained some of their abuses, (161) a commission was "very likely to

159. Review, Vol. III (No. 33) pp. 130-131.

160. Ibid. (No. 19) p. 74.

161. The 1706 Act, acknowledging that commissions of bankrupts had been often executed with great expense in eating and drinking, prohibited, any future expenditure for this out of the estates of the bankrupts or by any allowance by the creditors. Later in the year, an amending measure, 6 Ann. c 22, said that no commission of bankruptcy was to be issued upon the petition of a single creditor unless his debt amounted to £100, or of two creditors unless their debts together totalled £150. On the other hand, it denied a bankrupt any benefit from the 1706 Act unless 4/5 in number and value of the creditors consented.

expend a greater part of the Effects" than it would divide. These "ravenous Harpies" had been known to spend £500 or even £5000 in "Sittings, Feastings, Drunkenness, Litigious and Vexatious Law Suits, and then leave the Deficiency as a Load of Debt upon the Miserable Bankrupt." He alleged that there were twenty or more "Hackney Statute-Mongers" who were "in Fee with the Attorneys to be named to Commissions," waiting for a man's downfall," as the Ravens for the Carcass", and that some of them might gain £500 each by squandering a bankrupt's estate. One practice of these "Law Tyrants" was to value the bankrupt's goods at half their worth and sell them to men who paid to be let into the bargain. (162)

Indeed the Act proved to have too many loopholes, especially for the harsh and unreasonable creditor. Although Defoe had extolled it, "next to the Habeas Corpus Act", as one of the best laws that Parliament ever made, within four months of it reaching the statute book he was printing in the 'Review' a letter from a probably fictitious correspondent to publicize the action of "a spiteful Creditor." The letter cited the case of a merchant, a Mr. Dent, who had surrendered himself according to the late Act, but was seized and taken to Newgate by an escape warrant during his third examination. Defoe was convinced that Parliament would soon remove this defect. Not to protect a man from violence while he was complying with the law, and therefore under its protection, was to make "the Law it self a Traytor to the Liberty of the Subject it was made to preserve." (163) A fortnight later, he published a letter

162. Review, Vol. III (No. 34) pp. 134-135.

163. Review, Vol. III (No. 85) pp. 339-340.

from "A.T." alleging that another poor tradesman had been "snatch'd up by an Escape Warrant" as he was returning from his examination and taken to the county jail. (164) It is possible that these letters were an attempt to improve his own position but the larger issue remained. When Defoe failed in 1692, he had made an arrangement with his creditors by which he undertook in time to repay them in full rather than by a composition. (165) He had made a praiseworthy attempt to fulfil this obligation and his employments as accountant to the commissioners of the glass duty and in the state lotteries and the success of his brick and tile factory at Tilbury, by which he claimed to have made a profit of £600 a year, (166) had enabled him to pay all but £5000 of his debts "Exclusive of Composition" when he was ruined for the second time, by his political imprisonment in Newgate in 1703. (167) Because of this disaster, which brought the Tilbury business to an end, he never managed to free himself from the attentions of creditors. This gave a handle to his political enemies to use his creditors to make new demands as in March 1713, when he had offended the Whigs by his pamphleteering since the fall of their ministry. On April 1, he wrote to Harley,

"... I never thought that party resentment could have stooped so low as to pursue it to private injury till I was surprised as I was coming from home to have attended upon you last Monday seven night, and was taken up by an escape warrant. This sleeping lion had been retired into the

164. Ibid., (No. 91) p. 363.

165. J. Sutherland, op. cit., pp. 44, 48. P. Dottin, The Life of Daniel Defoe, trans. Louise Ragan (New York 1928) pp. 171-175.

166. Hist. MSS. Comm. (Portland), IV, p. 88, letter to Harley of May 1704.

167. A Reply to a Pamphlet ... (1706), p. 7.

country, where the creditor lived (at Yarmouth) ever since the year that by your favour and appointment I travelled a journey into the west, ... It had never more stirred had not a private set of men here in mere revenge prompted and even solicited the person to stir now, assuring him that I had great favours, etc. ..." (168)

In 1705-6, however, his problem was a small group of obdurate creditors whose unyielding attitude threatened to make him useless to his employer. What was worse was the discovery that it was doubtful if he came under the protection of the recent Act and that he was "advised not to attempt it." He told Harley of his plight.

"Now, as the risk of disputing is too great, since I must surrender myself first into the hands of the unmerciful, and that to take them off by treaty is absolutely necessary, no man that is my friend advises me to attempt it by law since when they in particular are shaken off, I shall be as effectually free as by the act, all the rest being under obligation to a composition, which they have received part of and cannot go from. (169)

Thus, sir, my freedom depends on a private treaty, which treaty without assistance I cannot carry on, and meantime have been so close pursued since I saw you, that I am but by miracle yet out of their hands, and am obliged to quit all conversation and make a retreat altogether disconsolate and such as renders me useless and incapable."

168. Hist. MSS. Comm. (Portland) V, pp. 274-275.

169. At first Defoe made an agreement to pay his creditors in full if they gave him time but he later paid those who were prepared to accept a composition. J.R. Moore, op. cit. p. 101. The Miscellanies to three consecutive issues of the Review for April 17, 19 and 22, 1707 (Vol. IV (Nos. 29, 30 and 31) pp. 115-116, 119, 123) tell the story of "a poor unfortunate Citizen who had fail'd for a very considerable Sum seven Years before." The amount, £17,000, was exactly the total of Defoe's indebtedness. He went on to state that only 3 or 4 of the 140 creditors would not accept a composition of 15s. in the £. £12,000 paid off from £17,000 would be very close to this figure.

Therefore, Defoe asked his patron "that I may be assisted, as far as two or three hundred pounds will do it, to free myself from the immediate fury of five or six unreasonable creditors, after which I shall by my own strength work through the rest in time." (170)

It appears, however, that he did avail himself of the provisions of the Act of 1706 for on August 20, he wrote in the 'Review',

"... the unhappy Author of this, claiming a Discharge from old Misfortunes on a clear Surrender, as by the Law is directed, finds himself opposed, not by those he owes Money to, but by those that owe him Money; not by those who by Disaster are wrong'd, but by those that have wrong'd, cheated and plundered him of that Money, should have helped to discharge others; to whom he never ow'd a Shilling, ... and who have actually defrauded him of near 500 C. advanc'd in Compassion to save them from Destruction.

.....
 In the Behalf of these People, a certain Lawyer opposed the Discharge of this unhappy Insolvent, ... he was at last so ashamed of his Clients, as to disown them, and say he appear'd for another, who was really a Creditor - ... the Gentleman he nam'd, having since declar'd before good Witness, he gave him no Orders, and was under a Promise not to appear."

After examples of the malevolence of these opponents, he pointedly brought out the hopelessly-exposed position of the unfortunate bankrupt where "the entire Destruction of the Debtor and his Family "seemed necessary "to expiate the Crime of his own Disaster"-

"... that having been 14 Years in Retreat, in Jeopardy, in Broils, and most of the Time in Banishment from his Family, have swallow'd up all he has gain'd, tho' that has been very considerable, in gradual Payments of Creditors,

170. Hist. MSS. Comm. (Portland), IV, p. 301. Letter of May 6, 1706.

and in defending himself against those that would have it, not only faster than their Fellow-Creditors, but faster than it could be got. That have since seen him strip'd naked by the Government; and the Foundations torn up, on which he had built the Prospect of paying Debts, and raising his Family; and yet now ... have redoubled their Attacks with Declarations, Executions, Escape-Warrants, and God knows how many Engines of Destruction; as if a Jayl and Death would pay their Debts; as if Money was to be found in the Blood of the Debtor, and they were to open his Veins to find it.

That bind the ready Hands of Industry
Pinion the willing Wings, and bid Men fly.
Resolv'd to ruin me the shortest Way,
They strip me naked first; then bid me pay." (171)

It seems that he failed to receive his certificate of discharge because of his first journey to Scotland for Harley, and later he could not obtain the signatures of four-fifths of his creditors which he now required so that the following letter of rejoicing proved premature: (172) "Though I had not the honour to wait on you last night, your letter forbidding, I cannot but give you the trouble of letting you know God Almighty has heard the cries of a distressed family and has given me at last a complete victory over the most furious, subtile, and malicious opposition that has been seen in all the instances of the Bankrupts Act." (173)

Defoe did not describe his own unfortunate experiences to gain the sympathies of his readers for his own case, but to campaign for further improvements in the bankruptcy laws. He

171. Review, Vol. III (No. 100) pp. 397-399. He gave a much fuller account of the machinations of his creditors and debtors in Review, Vol. II (No. 54), pp. 213-214 and (No. 58) pp. 231-232 and returned to the subject in Vol. VII (No. 123) pp. 490-491.
172. J.R. Moore, op. cit., pp. 95-102.
173. Hist. MSS. Comm. (Portland) IV, p. 323. Letter of August 23, 1706.

argued that it was the unreasonableness of creditors that was the chief reason why so many debtors remained in prison after the Act of 1706. When some creditors complained that the Act had been abused by knavish debtors, he rejoined that they were grumbling because they now had less freedom to resort to extreme measures. He claimed that he could give "a Cloud of Cases" where the majority of the creditors had been satisfied with the honesty of a bankrupt's voluntary surrender of his effects, but "the Obstinacy of one angry revengeful Creditor, who wanted the Blood, not the Estate of the Bankrupt," had been "the Ruin of his whole Estate, his whole Family, ... and the rest of the Creditors by this one furious unreasonable Person" had lost all their debts. He could supply ten examples of similar obduracy for one of fraudulent bankruptcy. (174) While it was true that knavish bankrupts made cruel creditors, they in turn made knavish bankrupts (175) and it was their cruelty that created the debt sanctuaries: "To mitigate these Excesses, several Methods have been found out, and Custom for a while screen'd the miserable Wretches in priviledg'd Places ... the Sanctuaries of the Mint, Fryers, Rules, etc. and the Connivance of the Prison-keepers of the QUEEN'S Bench and Fleet." (176) On the other hand, he declared that he had been one of the first to complain of these abuses and that he had had "some Hand in the Dissolution of their monstrous Privileges" although it might have been expected that he would have taken shelter

174. Review, Vol. IV (No. 24) p. 95.

175. Ibid, Vol. III (No. 38), p. 149

176. See D. Ogg, op. cit., pp. 108-111 for details of these debtors' prisons. The Rules were annexes in the neighbouring streets of the Fleet and the Marshalsea.

"from their corrupted Constitution." (177) It was the scandal of these "lurking holes," however, that had led traders to petition against the Act of 1696 (178) and to secure its repeal. Yet "the Act ought to have been amended, not destroy'd: For without doubt it was the best Act for Trade, the best qualified to relieve the Creditor, and save the Estate of the Debtor ... that ever was offer'd in this Nation." He based this opinion on the fact that the first offer made by a bankrupt tradesman, "before he is run to Extremities, and taught the Shifts and Tricks of a distress'd State," was "the best he could ever make, ... for, certainly keeping the Man in Distress ... does not encrease, but lessen his Capacity that Way." (179)

It was in the encouragement given to rigorous creditors that English law was most deficient and compared most unfavourably with the practice in other countries: "If there be any Cruelty practis'd in England, 'tis here; Racks, Inquisitions, Tortures and Gallies ... seem inferior to the Barbarities practis'd here upon the Unfortunate." (180) "Not many Ages

177. Review, Vol. IV (No. 25) pp. 99-100. He had already made this claim in Vol. III (No. 19) p. 75.

178. By this Act (7-8 Wm. III c.12) For Relief of Creditors by making Composition with their Debtors ..., where two-thirds in number and value of the creditors accepted the debtor's composition, and agreed to discharge him, the rest were bound but this Act did not extend to anyone under forty unless he enlisted in the army or the navy or procured someone else to do so.

179. Review, Vol. IV (No. 28) p. 111.

180. Ibid (No. 33) p. 131.

back" it had not been possible in England to arrest a man "upon mean Process, or the first Demand of a Debt" and this was still the case in most neighbouring countries, as in Holland and Denmark. In Scotland no man could be arrested until the cause was tried and judgement obtained, but his effects could be seized, "a much more equal and effectual Way to recover the Demand."

"But as England began to increase in Trade, and Inland Credit seem'd to extend it self here to a Degree beyond all Parts of the World; so the immediate Method for Recovery of Debts was thought proper for the Support of that mighty thing, call'd Credit, which as it is more generally given here than in any Place in the World, and with less Securities, so it has been the thing, which has the most contributed to the Encrease of our Trade at Home, above and beyond all other Helps in the World."

In fact, Defoe was ready to accept that this was "the true Method in so great a trading Nation, and in a Case where such unlimited, loose Sort of Contracts are made." (181) A month later, he admitted that "the Circumstances of England" made imprisonment for debt necessary. As for the practice in Scotland, "it must be own'd, it is a Cheque to Trade, and helps to keep the People down, as it hinders petty Credit, and prevents People launching out freely in Trade." (182) In 1720, he defended the execution of the young Sword Blade Bank clerk, Davis, who had absconded with £4,000, because "the preserving the Faith of public Officers in Trusts of that Nature, is in a Trading People, as absolutely necessary, as the preserving any Part of our Property." Imprisoning debtors was justified for the same reason. In England "our Substance was less guarded and more exposed" than in other countries. "There is in England

181. Ibid (No. 25) p. 99.

182. Ibid (No. 37) p. 147.

a greater Trade than in any other Nation; especially of what we call the Home Consumption of Foreign Goods Imported, and the Manufacturing the Home Product for Exportation: In all which, if Personal Credit were not come up to a Height unknown in any other Part of the World, the Trade could not be carried on to any Thing like its present Proportion." (183) The fullest statement of his position came in January 1709:

"It is far from my Design ... that this Paper should give any encouragement to Fraud and Barratry in Commerce, or that under pretence of Compassion to Debtors, I should expect ... that as soon as Men become Bankrupts they should claim Exemption from their Creditors, and must not be prosecuted ... perhaps I am not so clear in the request of a general Personal Liberty neither, as some think I am, yet I must for ever grant, That the Power of attaching the Person of the Debtor in Actions of the Case, ... or common Process, is the Foundation of that vast Personal Credit that is now given in the Nation."

Reiterating that petty credit was "the shame of our Gentry, and the ruin of our Trade," he continued,

"But this Personal Credit, by which I understand Credit given by one Trading Man to another for Goods, to be sold again, ... is the Life of our Inland Trade, and without it our Inland Trade could not be carried on to that height it is now at, no, not by Nineteen Parts in Twenty: To preserve this Personal Credit, it is absolutely necessary, that the Creditor have Power to attach the Person of the Debtor - If I cannot touch his Person, I will not trust his Person; ... The Man has Credit in his Trade, he keeps a shop, he must show himself there, he must keep up his Reputation; if he does not pay, he knows he cannot appear, ... and it cannot be worth his while to cheat me, or run in my Debt, at the expence of flying his Business or hiding his Head."

Seizing his goods would be "making the End of the Law at the Beginning" and would be worse for both parties; "it would be worse for the Debtor, for it would encrease Law-Suits, and

make every Contest a long Cause." The debtor would be tempted "to struggle to the last, ... whereas the little Distress of an Arrest, pinches him indeed at first, but he is thereby press'd to finish with his Creditor, and make as good Terms as he can get: And I doubt not but ... that Personal Arrests recover many a Debt, and End many a Strife, which would otherwise be spun out to an unreasonable Length at Law, and weaken the Debtor more at last, as well as harrass and perplex the Creditors, who sometimes may want the Money as much." (184)

Defoe was not inconsistent here. David Ogg points out that "the imprisoned debtor was thought of not as a delinquent, but as a pledge," that imprisonment was not then so common a punishment as it is to-day and that "English society was passing through that long stage in which it was necessary to devise means for obliging people to pay their debts." (185) What Defoe attacked was the creditor "carrying his Prosecutions to the vile Extremities of Ruining, Starving, and I may say Murthering his Debtor" when he obviously had not the means to pay his debt. (186) He was well aware of the "horrible Abuses, Briberies, Exactions, and intollerable Barbarities exercis'd by the inferiour Officers" of the gaols, (187) and his own experience in Newgate is vividly conveyed in his reference to "the Torture of a Prison, that languishing, slow Fire that consumes the

184. Ibid, Vol. V (No. 131) pp. 523-524. Cf. Vol. IV (No. 38) p. 151; Some Objections humbly offered to the Consideration of the Honourable House of Commons ... (1729) pp. 13-20.

185. D. Ogg, op. cit., p. 109.

186. Review, Vol. IV (No. 131) p. 524

187. Ibid, (No. 37) p. 147.

Vitals, breaks the stoutest Courage, and is ten-fold worse than the Gallows." (188) Therefore, while he described "the designing, cheating, fraudulent bankrupt" as "a Villain, a Plague to Commerce, a Contagion to Credit in Trade," he insisted that a distinction must be made between him and the poor, unfortunate debtor as was done in cases of murder and manslaughter. The creditor had to accept that it was impossible to make a law "for the Relief of an honest Man, that a Villain will not lay Claim to." Because man was "the worst Sort of beast of Prey," devouring not to satisfy hunger, but "to gratifie his meer Lust of Revenge, Malice, Fury, and Passion," the implacable creditor must be restrained. (189) The best solution to this problem would be to set up bankruptcy courts to replace the bankruptcy commissioners nominated by the creditors - "I wish, our Parliament would once take into Consideration, whether proper Judges may not be appointed in the respective Counties and Cities of England, who should have absolute Power to deliver, or to detain; nay even Corporally, to punish the Person of the Debtor, upon there (sic) being fully satisfy'd either of his honest Delivery of his Effects, or of his knavish Reserve and double Dealing with them - But to have no Power to concern themselves in the Estate, to take or dispose any Part of it - This would establish some certain Bounds to the Rage of Creditors." (190) Presumably, the creditors could proceed to a civil action for recovery of their debts from the bankrupt's estate, but it seems odd that he did not suggest that his courts should be fully competent to deal with everything concerning bankruptcy.

188. *Ibid*, Vol. V (No. 136) p. 543.

189. *Ibid*, (No. 133) pp. 530-531.

190. *Ibid*, (No. 154) pp. 613-614.

Other pamphleteers, except Moses Pitt, had singularly little to say about imprisonment for debt. Richard Haines proposed that the many hundreds of imprisoned debtors who were unable to pay their debts could remove themselves to one of his working hospitals (191) and James Whiston objected to the Keeper of Newgate paying £3,500 for his place and to the exactions by which he recouped his outlay from the poor prisoners but did not mention debtors. (192) The harsh author of "A Modest Proposal" predictably regarded fraudulent debtors as "as bad, if not worse than Robbers" and would allow creditors who could prove their debts to consign their debtors to his prison where hard labour with the minimum of clothing was the rule. Yet he added that none of these prisoners would suffer more than they had deserved, "as poor Debtors now often do in Jayls." (193) Lawrence Braddon allowed debtors to be released, on giving up all their effects to their creditors on oath but obliged them to work for three years in his collegiate cities before receiving a suit "with all necessary linens." (194) John Cary, however, writing a dozen years or so after Defoe, observed that there was credit in Holland, France and other countries and yet they did not keep poor debtors in prison. English law was unjust in not distinguishing between the honest unfortunate and the knave and it was ironical to boast of liberty and property when a creditor was allowed to exercise such unchristian severity and was given more power over a debtor than

191. R. Haines, A Profitable Method compiled for the Benefit of all indigent people (1679) p. 3; A Method of Government for such Public Working Alms-Houses (1678) p. 6.
192. J. Whiston, England's State Distempers ... (1704) pp. 19-21.
193. (Anon) A Modest Proposal for the more Certain ... Provision for the Poor (1696) pp. 9, 23.
194. L. Braddon, The Miseries of the Poor are a National Sin ... (1717) p. 79.

his prince could exercise. (195)

It might have been expected that the numerous writers who proposed to employ the poor would have seized on the waste of manpower in the number of debtors languishing in prison, but Defoe seems to be almost the only author who noted this loss to the state. The proceedings against debtors were "evident Depopulations" and tended to drive the diligent trader abroad. (196) It should be state policy "to restore these Miserables," that is, debtors who were willing to surrender their effects, because they were "lost to the Commonwealth, scatter'd and exiled, or render'd useless and incapable to improve the publick Stock, employ them selves or encourage others," while they were crushed "by the Tyranny of the Creditor." (197) In 1709 he estimated that there were 80,000 debtors, most of them with "Wives, and Children innumerable." Half of them were "Prisoners at large, under the expensive Licence, and precarious, dear-bought Liberty of Goalors and Keepers of Prisons," about 20,000 were "Shelterers, and such as lurk in the Rules, Verges, and allow'd Priviledges of Prisons," and "at least 10000" were "Absconders" concealing themselves in private retreats and living "under the constant Terror of Arrests" and escape warrants. The country was depopulated by at least 5000 "Banished Persons, who being made desperate by the Cruelty of Creditors," had fled abroad,

195. J. Cary, An Essay towards Regulating the Trade and Employing the Poor ... (1717) pp. 88-128.
 196. Review, Vol. III (No. 27) p. 105.
 197. Ibid, Vol. IV (No. 168) p. 672.

while the remaining 5000 were "Close Prisoners of sundry Sorts for Debt" and "a great Scandal both to the Wisdom and the Humanity of the English." (198) To those creditors who opposed any relaxation of the law by the claim that there were "200000 Thieves" who were "devouring honest Mens Estates" and "might try the same Trick over again" if they were released, he replied that this was "a vast Number of Families to lie languishing and perishing, bound Hand and Foot from Labour and Industry". (199) He divided his 5000 close prisoners, who presumably were all "honest, indigent debtors" into 2000 "of meaner Tradesmen, poor Handicrafts, and labouring People" whose debts were no more than £100, 2000 "more Capital Tradesmen, Gentlemen and some Clergymen," 800 of "a higher Sort yet" and 200 "more miserable than the worst of the other," who seemed condemned to "perpetual Imprisonment ... Sacrifices to Revenge, private Grudge, and every unchristian Passion." (200)

By this date, he had reached the conclusion that the Act of 1706 was "the greatest Security to the Creditor in the World and, saving a few at first, ... very little Advantage to the Debtor," (201) and he considered that the deplorable situation of the debtor was made still worse by the case of Mr. Pitkin.

(202) He agreed that Pitkin had shared in "a monstrous Fraud", but thought that Parliament's intervention was both undesirable and unfortunate. Pitkin's exasperated creditors had brought

198. *Ibid*, Vol. V (No. 145) pp. 579-580.

199. *Ibid*, (No. 146) p. 581.

200. *Ibid*, (No. 149) pp. 594-595.

201. *Ibid*, (No. 152) p. 607. Cf. (No. 151) pp. 603-604.

202. Thomas Pitkin, a London linen draper, had failed for about £60,000 and fled abroad.

him back from abroad, but made an agreement with his partner, Mr. Brerewood, to accept 8s.6d. in the £, which was duly paid. The Commons, believing that a better bargain could have been made, were responsible for an Act which made this settlement void. Defoe objected to this ex post facto legislation and asked what debtor would ever make a composition with his creditors again. (203)

Having failed for £17,000, Defoe was able to comment that the greater a man's debts, the greater was his misery, but he recognized that it was the poor debtor who suffered most from the deficiencies of the existing harsh law. Whereas the great trader, who broke may be for £100,000, was allowed his liberty and 5 per cent of his estate if he surrendered all his effects, there were usually hundreds in the Marshalsea alone who so lacked the necessaries of life that on some days two or three died of want. Even the attempts to end their "more than Egyptian slavery" gave rise to anomalies. Thus he claimed that a clause in the 1711 Bill for the Relief of Insolvent Debtors, withholding its provisions from any man who owed more than £20 to any one man, would deprive 10 debtors out of 11 of any relief from the measure. A man might owe £500 and no more than £20 to any one individual, whereas another might owe only

203. Review, Vol. V (No. 153) p. 610. See also nos. 151, 152, 154.

£50 but all to one man. (204) Because even the greatest traders were not immune from disaster, a tradesman should be the last to be cruel to a debtor, but creditors seemed unaffected by such considerations. Debtors fared worse than those "worst sort of Thieves," the West-India pirates, than traitors who might be pardoned or than murderers who might benefit by transportation instead of the gallows. As creditors, however, seldom relented, it seemed that "to be a Bankrupt was worse than a House-breaker and an Insolvent deserved less Compassion than a Highwayman." (205)

When, two years before his death, he returned to the subject of the debtor, he was most concerned about the loss of many thousand unemployed citizens to the state. His figure of 25,000 presumably comprised his 1709 estimate of 5,000 "close prisoners" and 20,000 "shelterers" in the various debt sanctuaries and he computed the expense of maintaining them and their gaolers and bailiffs at £1,360,000 a year. While this amount

204. Vox Dei et Naturae ... (1711) pp. 4-6. Presumably this clause had been proposed during the debates on the Bill, because the resulting Act stipulated a maximum of £50 to any one creditor. 1 Ann c.19 (1702) had imposed this limit of £20 to one creditor, but 2 & 3 Ann. c.10 (1703) had raised this to £100 because this restriction had reduced the effectiveness of the earlier measure. Defoe's pamphlet was intended to influence the 1711 Bill, which it named by its distinctive title. The eight Acts of 1671 to 1711 to facilitate the release of poor imprisoned debtors seem to have been largely ineffectual as each new measure acknowledged. They did not apply to those who owed more than £100 and, during the wars with France, only to a man under 40 years of age who enlisted in the army or navy or procured an able-bodied man to take his place. In 2 & 3 Ann. c.10, the aim of securing recruits for the war was admitted to be the chief aim rather than the relief of poor debtors.
205. Mercurius Politicus, Dec. 1717, pp. 756-760.

would "pay the Debts of all the Persons confin'd (only) for Debt in all England and Wales," the total would rise to £2,290,000 if the loss of the labour of the prisoners and their keepers were included. Thus in England, private men had the power, not only "to rob the Publick of the Industry of many Thousands, but make them a continual Charge to it." If none but criminals and cheats were imprisoned, prison would appear a more terrible punishment. It was vain to imprison the poor and very ridiculous to imprison the rich, "a Prison to them being a Sanctuary to preserve their Estates." It was a further shame to England that there were "more Persons to be found imprison'd for Debt (in but one of the Goals) either in the City, or Suburbs of London, than in all the Goals of the whole German Empire." (206) Yet, in spite of all his forceful pleading for better treatment of debtors, he had not modified his conviction that personal credit was more extensive in England than in any other country, because a flourishing home trade was superimposed upon her great overseas commerce, and that this great credit structure ultimately depended upon the creditor's legal power to detain the person of the debtor. (207)

206. The Unreasonableness and Ill Consequences of Imprisoning the Body for Debt (1729) pp. 4, 5-7, 9, 22, 24, 16. In 1711 the comparison had been between all the London prisons and those of the German Empire, Vox Dei et Naturae, p. 13.
207. Some Objections Humbly Offered ... (1729) pp. 19-20.

PUBLIC CREDIT, TAXATION, THE NATIONAL
DEBT AND STOCK JOBBING

Private credit was thus the support of public credit, but the two were interdependent as Defoe emphasized during the credit crisis of 1710, in another illustration of the profit and power relationship which seemed so indisputable to the pamphleteers of his day:

"... all Publick Credit is deriv'd, tho' at some distance, from private Credit, and yet it reciprocally Contributes to the Support of its said remote Parent - ... if private Credit falls off, the Stock, the Trade, and by Consequence the Wealth of the Nation dies, the Fund of Publick Credit fails - The Legs on which it stands, become faint and unable to Support it, for Trade pays Taxes, Customs, Excises etc. If Trade sinks, Employment of the Poor fails; Markets, which are the Circulation of our Stores stagnate and die, the Produce of the Earth lies on Hand, Rents fall, and the Landed Men sink - And upon what Foundation can Publick Credit exist?

In like manner, if Publick Credit dies, Private Credit must sicken, and die also; for Defence fails, ... Enemies will insult, the Terror of your Arms will die, your Commerce wants Protection, your Merchants Support ... Publick Credit supports Power, Power supports Commerce, and Commerce Credit; an endless Circulation runs through these Things, ..." (1)

He showed his concern for the public credit in one of his first pamphlets. When the rivalry between the two East India companies was particularly acute in 1701, he accused the Old Company of amassing a million pounds in specie with the design of "laying up the Cash, and dreining the Town of their ready Money, Guinea's especially," while their confederates seized "all the Bank-Bills they could lay their Hands on." They were also responsible for spreading a rumour that the Government intended to reduce the mint price of French pistoles. Having

1. Review, Vol. VII (No. 118) pp. 470-471.

run down "the Price of Stock", they organized a run on the Bank of England, which in turn "push'd at their Capital Banker Mr Shepheard, and run him down presently." To prevent the Bank being relieved from the Exchequer, they presented £50,000 worth of Exchequer-Bills for payment, which was countered by a new issue which was made legal tender. Not only were "a great many honest Gentlemen and Tradesmen" affected by this blow to trade, but the whole economic structure of the country, for "Whoever Wounds the publick Credit, wounds the whole Nation, and the Government, the giving a blow to the Currency of proper Credit, is robbing the Nation of so much Stock; for Credit is the second Branch of Stock, and Trade must decline accordingly; by lessening our Stock and Trade, we are weakened in the main strength of the Kingdom; the Government is weaken'd, Aids and Taxes must fall short, especially where Trade is to pay them, Loans and Anticipations, which are Advancements made for the immediate Service of the Government will be stopt." He also showed his fear of an undue concentration of financial power by adding, "If it be in the power of Mercenary Brokers and Companies to engross the Current Cash, so as to make a Scarcity of Money, it must consequently be in their Power, whenever they are pleased to show their Disesteem to the Government, to prevent the advancement of any Sum of Money for the publick Service." (2)

The fall in public securities occasioned by the Jacobite invasion attempt of 1708 disturbed Defoe and led him to contrast

2. 'The Villany of Stock Jobbers Detected', A True Collection, pp. 258-260, 263-264.

the fluctuations in England with what he considered to be the situation in France, "France being all of a Piece, and their National Interest the same in every hand, they can maintain their publick Credit under the Most terrible Convulsions imaginable; Hocksted, Turin, Barcelona, Remellies, Oudenard, Lisle, any one of them had been a Blow to us, would have stagnated our Cash, stop'd our Funds, stabb'd our Credit, and thrown our Bank into a Fit of an Apoplexy - The Reason is plain, they have no divided Interest, no secret Enviars at the Government, ... and they keep up Credit without Funds, when we have sometimes Funds without Credit." He claimed that attacks on public credit in France would be punished, whereas the "Stock-jobbing Humour in England" caused us to be "too much apt to be surpriz'd in England, and to run up and down upon the least Turn of Affairs." Deprecating the financial scare caused by the French fleet's arrival off Scotland, he argued that "all our publick Funds, our Banks, our Stocks were just as good as before" and asked "how could it be otherwise?" Reflecting the outlook of the business community, he identified the interest of the nation with the state of public credit, with which both the rights of property and the destinies of the country were involved: "Is not the Nation entirely and universally embark'd in them? If the Nation stands, they stand; if the Nation does not stand, then nothing we have is our own, nor is it safer in our keeping than in the publick Funds: But are not all the Families in the Nation, Whig and Tory, High Church, Low Church, swearing Dissenter, and Non-Jurant Dissenter, Jacobite and Williamite embark'd? ... whatever

Revolutions should happen, the publick Funds must be made good, nor can any Parliament or Convention dissolve them, unless you can suppose a Parliament to be chosen of Gentlemen who have no Money in these Funds, and that must be, when such a Parliament are all Thieves and Beggars, for it cannot be before." Therefore it was "the greatest Madness in Nature to run upon publick Credit, to sell Tallies or Annuities under Rate ... since the Foundation is the same, and the Hazard the same in or out." The only outcome would be to give "cunning Knaves" the opportunity to buy estates cheaply. Enquiring why land did not also fall in value at such a juncture, he rejected the argument that this was because land could not be carried away. He answered, "no more can the Funds, on which our Banks, Annuities, and other Anticipations are establish'd; for the Land is engag'd, and you may carry one away as soon as the other. Nothing therefore can ruin our publick Credit, but our own National Madness." (3)

He developed this theme when he was desperately trying to help his Tory patron, Harley, to restore the financial confidence of the country after the shock which it received from the downfall of the Whigs and the dismissal of Godolphin from his post of Lord Treasurer on August 8, 1710.(4) Although this motive now dictated Defoe's comments, he again expanded ideas which he had already expressed, in the case of the passage just quoted, in February 1709 after the Whig Junto had finally

3. Review, Vol. V (No. 139) pp. 555-556.

4. Infra, pp. 415-420

forced their way into the Godolphin-Marlborough ministry. (5)
 Thus in December 1710, he laid down one of his "fundamentals,"
 that credit must be upheld or all was lost, as "the very Welfare
 of the Nation" depended upon its credit:

"... the Poor must help to support Credit, for it is by this, they get Work in their respective Trades, and earn Money to maintain their Families; the middle kind of People must support Credit, because by it, all the Foreign Negece in the World, is supported and carry'd on - By which they Trade, support Manufactures, and enrich their Families; the Rich must support Credit, because by it, their Money is improv'd, Interest for Money lent out is rais'd, Rents of Lands and Tenements paid, and the Poor kept from devouring; the Government must support Credit, for by this, Trade is carry'd on, which pays all the Customs, Excises, and Duties, by which Government is Supported, and the Publick Expence defray'd: The Parliament must support Credit, for by this, Taxes are made easie, heavy Burthens made light, and such prodigious Sums rais'd, as could no way be possible, to be levy'd in Specie." (6)

In the next issue of the 'Review' he claimed that it was "the Interest and Duty of every Subject to Maintain and Support the Publick Credit, as far as in his Sphere, he may do it, without any Respect to the separate Interest of Parties, Court-Changes, Personal or Publick Prejudices, or any By-Ends whatsoever:"

The alternative was national disaster:

"Parties may divide and distract us, but Loss of Credit will quite sink us; Parties may betray us to our National Mischiefs, and give us up to one another, but Loss of Credit betrays us to the Enemy, and gives us all up to France ...
 ...We became a Nation of Wealth and Opulence by it, and we shall return to a Nation of no Consideration without it - Why do we call Scotland Poor, but for want of Credit to Support Trade? Why is England Rich, but by a vast Trade built upon an Immense Credit? ... we ought to be as chary of Publick Credit, as every private Man is of his Personal Credit; ...

5. G.M. Trevelyan, England under Queen Anne, vol. III The Peace and the Protestant Succession (1934) pp. 62-66.
6. Review, Vol. VII (No. 117) p. 467.

... if the Publick Credit dies, the Publick Wealth Decays; that Credit is a doubling upon the Publick General Stock of the Nation; That as Credit in Trade is an Equivalent to Stock; so Credit in this War, has been an Equivalent to Cash; That by Credit we have carry'd on a War the Nation could never have upheld, rais'd such Sums as the Nation could never have paid; rais'd, sent Abroad Armies that the Nation could never have Subsisted ..." (7)

Revising his earlier opinion that the French were able to withstand blows to their credit much better than the English because, under a system of absolute government, they were not divided by party rivalries, (8) he now argued that public credit was not consistent with absolute power "because Property had there no Fence ... Non-Resistance and Credit, Passive Obedience and Credit, are as contrary, as Summer and Winter, as Light and Darkness, as Death and Life; Credit can never Exist where Property is not safe, and how can Property be safe, where it is subjected to the Arbitrary Dispose of a Tyrant Prince." (9) Believing that since the Revolution any English government must, by the nature of the constitution, be Whig in outlook, he developed this theory of credit:

"Credit therefore supposes Whigs Lending, and a Whig Government Borrowing - It is Nonsense to talk of Credit and Passive Submission - Credit in that Case, is rather a Merciful giving back what you had no Right to with-hold; Credit implies Property in the Lender, a voluntary Advance in the Subject, in Confidence of the Honour and Veracity of the Government to repay, according to Compact; and the Government Borrowing, is a Subjecting itself to acknowledge, that the Sovereign has no Right of Property to the Money, but that it is entirely the Subjects, ... and therefore that he shall receive it again as his Property, and have a due Satisfaction of Interest for the Time - ... It is Nonsense

7. Ibid, (No. 118) p. 470.

8. Supra, p. 70.

9. Review, Vol. VII (No. 135) p. 538.

for an Absolute Prince to say he Borrows, or Non-Resisting Subjects to say they Lend - What can they Lend, that have nothing but what is the King's? What can he Borrow, that has a Right to all they have? ... Credit then is a Whig, National Credit is Founded on Revolution Principles, and proves the Doctrine of Non Resistance a most Learned Absurdity; ..." (10)

Six months later, in August 1711, he declared that the constitution was "the Foundation of our Credit" so that whoever succeeded to the crown, or whatever parliament should be chosen, "they must Maintain the Foundation of Credit." There were the popular seventeenth-century analogies with the balanced motion of a clock and with the bodily circulation, followed by a chain of consequence.

"The Weight and Validity of this Thing call'd the Constitution, which is our Parliamentary Security, consists in its being the only Foundation on which all our Fabrick of Government is built, and by whose Motion all the Wheels of the Administration are moved; which if it stops, the whole Circulation Stagnates, and the Body Politick must fall into Convulsions, and from thence unto Death.

.....
 Constitution is no more a Thing in Being, than its Parts are preserv'd entire; the Constitution is the Fundamental of our Politick Life and Honour, Probity and Justice are the Life of the Constitution - Whenever any Breach is made in these, the Wound affects the Vitals of the Common Wealth; Thus the Chain of Things holds all Government together; Parliament gives Life to Funds and Credit; Constitution maintains Parliament; Justice, Law and Property support Constitution; if Justice dies, the Constitution languishes and must die of course." (11)

When Defoe began to be alarmed, in the spring of 1713, at the possibility of a Jacobite restoration, he again linked the public funds with the 1688-9 constitution and argued that they were a bulwark against the Pretender like the monastic

10. Ibid., (No. 141) pp. 562-563.

11. Ibid., Vol. VIII (No. 59) pp. 238-239.

property acquired by the gentry at the Reformation proved to be a security against Mary I's attempt to restore Roman Catholicism, provided that Englishmen did not believe the promises James Edward would make to maintain the funds and keep up the public credit. (12) "The Interest every considerable Family in England, has, one way or another, in the publick Funds, is a very good Security against the Pretender; as the giving the Abbey Lands by Henry VIII to the Nobility and Gentry, was a good Security, after the Reformation, against the Return of Popery." There was no need for Parliament to make laws to secure the funds, for, he demanded, "Are they not Parliament Funds already? is not every one of them built on an Act of Parliament, ... But who shall be SECURITY for him that he shall govern by Law, or be bound by Act of Parliament, when he has got Power and Money?" (13) Therefore, he asserted, the funds were immediately at risk if the Pretender was allowed to seize the crown. "Upon what Foundation", he inquired, "were we encouraged to lend our Money? Was it not the stability of the Constitution fix'd by the Settlement of the Protestant Succession ...? The Funds ... are a kind of Mortgage, not upon the Crown ... but upon the Protestant Succession." Otherwise Englishmen would not have invested so readily. (14) "If the Nation were really afraid of their Funds," he alleged, "I should never be afraid of the Pretender; for whatever the Love of your Liberties, and the Love of your Religion will do,

12. Ibid., Vol. IX (No. 59) p. 118.

13. Ibid. (No. 65) p. 129.

14. Ibid., (No. 68) p. 136.

I will not say, I will answer for none of you there; but, I am sure, the Love of your Money will keep him out." (15)

Earlier, his concern for the security of the parliamentary funds had probably weighed as much with him as religious and political opposition in his rigorous denunciation of the High Church Tory attempt to tack their Occasional Conformity Bill to the annual vote of the land tax. While he praised Godolphin's management of the finances, he argued that the credit structure which the Treasurer had been able to build on this foundation depended on confidence in the funds. If once there was any doubt about the durability of these supports, even an angel at the treasury would be powerless to stop the decline of credit and its immediate effect on the military situation in Flanders.

"Credit falls as Naturally, when Funds are stop'd, as the Sea becomes Calm, when the Winds cease to Blow. We all Crowd my Lord Treasurer with Money on the Credit of a Land-Tax, because for Fifteen Years it has never fail'd; but if once it should admit of a Question, Whether there would be a Land-Tax, or no? it would immediately be less a Question, Whether any Money would be advanc'd, or no?"

Upon this Tacking Clause depended therefore the whole Success of the present Campaign." (16)

15. Ibid., (No. 60) p. 119; J.G. Sperling, Godolphin and the Organization of Public Credit 1702-1710 (unpubd. Cambridge Ph.D. thesis 1955) states "no other factor had a more immediate and all pervading effect on public credit than the activities of the Pretender." Intro. p. iii.
16. Ibid., Vol. II (No. 47) p. 187. The land tax accounted for almost a third of the government revenue apart from its guarantee of the interest payments on certain government stocks. C. Wilson, op. cit., p. 217.

In July 1710, Defoe began to voice the alarm felt by the Whigs at the disintegration of the Godolphin-Marlborough-Junto ministry after Lord Sunderland was replaced by Lord Dartmouth on June 14, 1710. (17) Money was now "the Vitals of the War" to such an extent that it was the chief reason why Britain had made "a greater Figure" in the present conflict than in the Nine Years' War and had indeed been "the Life and Soul of the Confederacy." Although Defoe always recognized the supreme military ability of Marlborough, Godolphin, by "his exquisite Management of the Cash", had been the "General of Generals." (18) He suggested that if Louis XIV had the choice, he would rather break our credit than have the Duke of Marlborough and Prince Eugene prisoners and the whole allied army broken. "You may have Credit, and no Army;" he told his readers, "but you cannot have an Army and no Credit; Money is the Sinews of War, no General can fight, no Bullet fly, no Sword cut without it." Yet there was not enough specie in the country to supply the country's war requirements, "tho' Trade were to stop, and Circulation cease, and the whole Nation were to bleed to Death: This War is beyond our possible Expence, and therefore they judg'd right, who told the King of France we could not bear the Expence of this War so long as he, for want

17. G.M. Trevelyan; op. cit., pp. 64-69. Four leading City financiers led by Sir G. Heathcote, Governor of the Bank of England, warned Queen Anne in June that any further changes would have a grave effect on credit, Hist. MSS.C. Portland IV p. 545. B.W. Hill, The Career of Robert Harley (unpubd. Cambridge Ph.D. thesis 1961) p. 185, maintains that Heathcote's earlier action had led to Godolphin's dismissal. On his initiative the Bank had refused to lend £100,000 to the Treasury for four months, thus adding to Godolphin's growing credit difficulties.
18. Review, Vol. VI (No. 2) p. 7.

of Specie; they were only deceiv'd in the turn given to the Affairs of the Treasury, and the Restoring CREDIT:" This had coined "50 Millions Sterling, ... and baffled Specie." (19) Whereas when Louis XIV's credit fell, "his Glory faded - a Stab to the public Credit of France struck into the Heart of his whole Administration," (20) the appointment of Godolphin as Lord Treasurer had led to a dramatic change in the country's financial affairs, "Funds were cheerfully given, Loans came in, Taxes fully answer'd." Defoe observed that the chief direct taxes, the land tax and the malt tax, only produced £2½ million a year, whereas the annual cost of the war was nearly £7 million, a larger sum, he thought, than the whole current coin, but Godolphin had been able to raise loans to supply the difference:

"... this has made England hold out a War, at the Expençe of more Wealth than she was Mistress of; has brought that Miracle to pass, of a Body living, yet bleeding more Blood than was really in its Veins ... Credit has made Paper pay Millions instead of Money, doubled and trebled our Specie by Circulation; Credit has brought out our Hoards, melted down our Plate, sold our Jewels to take Air for Silver, and split Sticks for Gold; Credit has paid Interest for nothing, and turn'd nothing into something, Coin'd Paper into Metal, and stamp't a Value upon what had no Value before - Credit March'd our Armies to Blenheim, reliev'd Barcelona, supported King Charles, recover'd Italy, deliver'd the Duke of Savoy, and has on all Occasions beaten the French." (21)

A week later, two days before Anne dismissed Godolphin, he announced that England's efforts in this war had been miracles, that "the wisest Man in the World could not have suggested it

19. Ibid, Vol. VII (No. 49) p. 190.

20. Ibid, Vol. VI (No. 16) p. 63. P.G.M. Dickson, The Financial Revolution, p. 59, remarks that "French credit, weakened by repeated military failure, steadily declined."

21. Review, Vol. VII (No. 55) p. 215.

possible, England could have done" what credit had enabled her to achieve and yet her credit had been maintained:

"... The more we have run in Debt, the more we have advanc'd our Credit - And instead of seeking to borrow, we have been sought to by all People, for leave to lend - The more Money we have borrow'd, the lower Interest we have paid; and instead of giving Premio's for Advance, the Lenders have given Premio's to get in - While other Governments have been in danger of Mobbs and Rabbles, to get their Money from them, and Mint-Bills have been in France at 60 per Cent. Discount; our Banks and Exchequer have been almost Mobb'd to get at them, ... 'Tis all CREDIT, she sits upon the Door of the Bank, and waits at the Levee of my Lord Treasurer; ... every Fund you raise, every Lottery you set up, every Tax you settle, she blows her Trumpet for you, sends over her Messengers to Holland, to Hambro', nay to France itself, and tells all the Money'd Men, they may depend upon her ... that here they may venture their Money, and be safe." (22)

Ten days earlier, he had dwelt on the healthy state of government credit and of the chief stocks favoured by the investor, although it seems that he was referring to the general situation of credit earlier in the year rather than to the immediate present.

"Our public Funds stand fair, the Pulse of the Nation beats high, their Bank and Companies have Advanc'd to strange heights; they seal their Specie Notes at 3 per Cent. Interest, and Premio's are given to come at them; the Exchequer Coins Bills at 4 per Cent that formerly gave 8 per Cent for Money - What can reduce all this again? What will make the Bank stop Payment, shut up Shop, and double their Interest? What will bring Exchequer Bills to 20, and Tallies to 40 per Cent Discount? What will put a stop to the Government, overthrow our Armies, lay up our Fleets, and bring the Nation into a worse Condition than the African Company? The Answer is the same, Loss of Credit." (23)

It is not surprising that initially Defoe was aghast at the prospect that this happy financial position might be

22. Ibid., (No. 58) p. 226.

23. Ibid., (No. 54) p. 212.

completely overthrown by the threatened change of government, and among the nine maxims which he listed in the 'Review' on July 15 appeared the dictum that striking at credit was "the only step left for the Friends of a certain Party, to save their Champion, the King of France from Ruin." This was followed by the conclusion that the party who were struggling to gain power were "not able either by their Interest, their Cash, or their Stock in the Funds, to uphold the Publick Credit, much less to restore it." Yet in identifying the development of national credit so closely with Godolphin, he added a significant qualification which suggests that he already visualized that he might soon have to develop equally strenuous arguments in support of a new Lord Treasurer. "THE CREDIT of the Nation having been Recover'd, and Establish'd by the present Guide of the Nation's Treasure, is AT PRESENT (without Flattery) absolutely Dependant upon the Person of the said Treasurer, tho' at another Time it may not be so." (24) He proceeded to link the beginning of a fall in credit with the disturbances which followed the impeachment of that "modern Boanerges," Dr. Sacheverell. "Public Tumults, Riots, and insolence of a Party; Threatning, Mobbing, and running down the Whigs; have been the first Steps to Wound our Credit: This has made Men withdraw from the publick Funds, vest their Effects in Specie, sell off their Stocks, and endeavour to have as little Money as they could, in a Government which they were told was to look upon them as Enemies, and Treat them accordingly." The probability that the Queen was about to dismiss "all those

faithful Agents" whose "Faithful Management of the publick Affairs" had been responsible for "the present Reputation of the Funds" had the like effect, as had the rumours of a new election which was likely to be affected by mob violence in the Tory interest. There was also "a horrid Tory Invention, of Alarming the People with the Notion, that a Parliament ... might be chosen, that should evacuate all the publick Securities, take a Parliament Sponge, as my Lord ... call'd it, and wipe out the long Score of the Nation's Debts." While "this was the Language only of a few Mad men, and none such as but either had not a peny to lose, or were in hopes of bringing on our last blow, and general Confusion," yet the very idea was criminal. (25)

A week later, on August 3, he agreed that the monarch had a legal power "to Dissolve the Parliament, Change the Administration, Divest the Treasury of its Guardian Angel, and the Army of its prosperous General, one the Soul of your Credit, and the other of your Victories - And if it please those, in whose Hand that Power is plac'd to do this; I have nothing to do but to sit still, and be sorry for my Country's Disasters; but I cannot refrain while it is yet not done, to express my Thoughts of it." With prophetic insight which made his own role in the ensuing months more tortuous, he envisaged the end of the Grand Alliance and the escape of France from total defeat. "If the Ministry is Chang'd, if a Jacobite furious

Party is brought upon us, ... 'tis a Dissolving THE ALLIANCE: putting an End to the War, by giving up that Confederacy that has reduc'd France to the very brink of Ruin - ... then it is the Duty of every Faithful Subject, to ASSIST in all peaceable manner to prevent it - ... let it be the Fate of this Author, to speak Truth, and suffer, rather than let a General Disaster befall his Country." There was a fatal chain, "Money cannot be raised without Credit, hardly enough with it; the War cannot be carried on without Money; and if the War cannot be carried on, the Alliance cannot be Maintain'd." At the same time he tried to arrest the decline in financial confidence. Admitting now that public credit had been "sinking and declining for some time," he pointed out that neither the dissolution of Parliament nor the change of ministry had yet happened, "the fatal blow" was not yet struck. "If the Suggestion, if the bare Report, if the flying Noise of the Thing, has reduc'd our Estates 13 or 14 per Cent in Value; if the Appearance of it only, has put Trade to a full stop, ... what Convulsions shall we be thrown into, when the Arrow is shot." (26)

Yet he was already in communication with the rival politician who had brought about Godolphin's downfall and who eventually replaced him as Lord Treasurer and chief minister, namely his former benefactor, Harley. (27) Believing in his old patron's essential moderation and, no doubt, anxious to maintain his

26. Ibid, (No. 56) pp. 219-220.

27. The Treasury was at first placed in commission with Harley as second lord and Chancellor of the Exchequer. He became Lord Treasurer in May 1711.

government employment when the change should occur, he had written to him on July 17, two days after his aside in the 'Review', expressing the hope "that Heaven has yet reserved you to be the restorer of your country by yet bringing exasperated parties and the respective mad men to their politic senses, and healing the breaches on both sides, which have thus wounded the nation." He acknowledged his very great personal obligations to the man who had brought him out of Newgate and asked for "a short conference" so that he would be better able to guide himself "to the public advantage," while he would esteem it his "singular advantage to take right measures" by Harley's direction. (28) The meeting obviously took place, because his next letter, on July 28, began, "Since I had the honour of seeing you, I can assure you by experience I find, that acquainting some people they are not all to be devoured, and eaten up - will have all the effect upon them could be wished for; assuring them that moderate counsels are at the bottom of all these things; that the old mad party are not coming in; that his Grace the Duke of S(hrewsbury) and yourself, etc. are at the head of the management; ..." He asked for another meeting "to discourse farther on these heads, ... when I have also something to offer about ways and means to prevent the ruin of the public credit; and raise things again in spite of some people's endeavour to run them down, in which if I can do any service, I shall think myself happy." (29)

28. Hist. MSS. Comm. Portland MSS. IV, pp. 550-551.

29. Ibid, pp. 552-553.

The following day he wrote in his 'Review',

"... Changes in Government, Dissolution of Parliaments, putting out and putting in, are all nothing in themselves: if this Lamp dies in their Hands, the Nation dies with it; all its Glory languishes, its Laws, Liberties and Establishments expire; it lies tied Hand and Foot, a prey to every Robber,what Party soever will keep up our Credit, be they Turk, Jew, Pagan, or Presbyterian whom you hate as bad - To them you must flie, ... for Credit is the Nations Life, ..." (30)

Obviously Defoe was preparing his readers for the imminent change at the head of the government. On August 12, two days after Harley's appointment as Chancellor of the Exchequer, he wrote to congratulate him "on the happy recovery of your honour and trusts in the Government." He maintained that "it was always with regret that when you met with ill treatment I found myself left and obliged by circumstances to continue in the service of your enemies. And now, though I am sunk by the change, and know not yet whether I shall find help in it or no, yet I not only rejoice in the thing, but I shall convince you I do so, by publicly appearing to defend and reconcile things, if possible, to open the eyes of a wilfully blind and prejudiced party. In order to do this, I shall wait on you in the evening with those sheets I showed you, finished from the press and to lay before you some measures I am taking to serve that honest principle which I know you espouse at a time so nice and when every man thinks 'tis in his power to wound the government through the sides of the Treasury, and to run down their masters by running down the public credit ..." (31)

30. Review, Vol. VII (No. 54) p. 212.

31. Hist. MSS. Comm., Portland MSS. IV., p. 562. Defoe was hoping to continue in the service of the government as, on Harley's advice, he had served Godolphin when Harley was dismissed in 1708. "Those sheets" would be "An Essay upon Credit" published on 23 August, 1710.

On the same day he told the Whigs that they were damaging their own interests by their supposed attack on credit: "... the Annuities, and the Funds that pay them are your own - ... You have Purchas'd them with your own Money; the Bank is your own - It is the Bank of England, not the Bank of the Exchequer; it is the Bank of England, not the Bank of the Treasury, ... your Annuities, your Appropriated Funds, are as much your own, as your Wives and Children are your own." (32) In the next issue of the 'Review' he declared, "let the Ministry be Chang'd, or not Chang'd; let the publick Affairs go into what Hands they will, whether you like the Change, or no - Your Concern for the Nation must not lessen, nor must do any thing, that may let in a Bloody, Popish, and Faithless Tyrant upon Europe, and upon the Protestant Interest." He testified that he would be "very sorry to see a Tory Administration; I should think it a Melancholly View of Things, to see the old Game of Persecution, reviv'd among us; to see the Tolleration broken in upon, the Union Invaded, the Whiggs Trampled upon, the Dissenters Harrass'd and Plunder'd, as I have seen it; ... But ... I had rather see all this, than France Triumphant, the Queen Dethron'd, the Pretender Establish'd, and Popery Erected - ... I had rather a Tory Government, than a French Government - Tho' the difference may be small, yet there is a difference; ..." Therefore, his conclusion was that "the Whiggs must continue to support Credit," adding "the Whiggs have as great a Share in the publick Vessel, the Governement, as any Body has; they are Embark'd in the same

Ship (the Nation) as you all - Tho' the Managing the Helm is taken from them, ... yet shall they refuse to Haul the Sails, or Work the Pumps." (33) He conceded that if Britain were not involved in a war upon the outcome of which "the Safety of the whole Protestant Interest in Europe" depended, the Whig attack on public credit might be justified, but because the nation itself was at stake, "we can no more justify to our selves or our Posterity, the Ruining the publick Credit by our Discontent at the Change." He also tried to allay the Whig antagonism to the ministerial changes by the suggestion that even the "High Fliers" must "turn Whiggs in Management, by the Course of things," that is, by the very nature of the constitution established at the Revolution. (34) Finally, he argued that "ministry" and "government" were different terms, and by the latter he seems to have meant the queen and the parliament as opposed to the administration. "The Question before us in this, is not who is in the Ministry, but who is in the Government; ... You do not lend your Money to the Ministry, but to the Government." Continuing his nautical metaphor, he contended that "the Whigs, tho' they are turn'd out of Places, they are not turn'd out of the Nation; they have too great a Share of the Wealth, too great a Cargo in the Ship, to be carless what becomes of the Bottom." (35)

33. Ibid. (No. 61) pp. 238-239. In fact, Defoe was to see all of his four examples of persecution attempted during the four years of extreme Tory rule from 1710 to 1714.

34. Ibid. (No. 62) pp. 241-244.

35. Ibid. (No. 66) p. 259.

After the violence which marked the general election of October 1710, and the earlier rioting by the London mob in support of Dr. Sacheverell, Defoe emphasized the damaging effects which such disturbances had on credit. His fondness for allegory led him to portray credit as a lady who abhorred "Tumult and Disorder; breaking of Windows, Ranging the Streets with Clubs and Staves, insulting Government, pulling down the Meeting Houses." But he soon turned again to other images to drive home his view. "If the Wind of Parties blows a Storm, the Vessel, Credit, will suffer a Shipwreck; no Peace, no Credit; if you will build up Credit, you must pull down Mob." Unless "the Enjoyment of Property" was made "comfortable", credit could not be maintained. (36) He proceeded to give his fellow Whigs "two Convincing Reasons" for supporting credit:

"1. That Sinking our Credit, was gratifying the Enemy, Encouraging Jacobitism, ...

2. That Sinking the Credit of the Nation, was sinking our own Estates - and putting the Power of Influencing Credit in other Cases, ... entirely out of our Hands; nay that it was putting it into the Power of the Tories, to get our own Estates into their Hands."

To reinforce his contention that "the Annuities, the Stocks, the Tallies; the Navy, and the Victualling Bills" were so entirely the property of the investors that running down credit only injured themselves, he insisted that they had not lent their money to the government but had bought these securities which were now "settled in Jointures, Marriages, Portions and Legacies among our Children." The interest on these funds was paid from the taxes collected by government officials in the Queen's name, which in effect made Anne "her Subjects Rent-

gatherer, or Receiver" for none of these officers "through whose Hands this Money passes, dare apply it to any other Use, than the Payment of the said Rents - No, not tho' the Queen herself should Command it." The several Acts which established each particular fund used the word "purchase" and Defoe believed that the Government could not legally redeem the annuities or any other part of the funded debt. "If they could do this, it were no longer a Sale, but a Mortgage. "In other cases, the difference was conveyed by the words "redeemable by Parliament." (37)

He doubted if the majority of the Whigs were "so Blind or so Ignorant as to play the Jacobite and High-Flying game by failing to support credit, but to see any, "to see Men that are for the Revolution, and against the Pretender, go on thus" was "the most Astonishing Thing in the World." He reported that an estimate of the government securities, the public lottery and the other principal stocks, "the Tallies, the Navy and Victualling Bills, the Exchequer Notes, the Annuities, the Blanks and Prizes in the Lottery, the Stocks in the Bank and East India Company, the Sword-Blade Men, the Million Bank, etc." amounted to "little less than sixty Millions Sterling; an Immense, Prodigious Summ, a Summ Foreign Nations are unacquainted with, and which would make a terrible Sound, put into French Livres, Dutch Guilders, or Germain Florins" and that more than seven-tenths of this total was computed to

be in the hands of the Whigs. If the price of the funds fell much further, there was a danger that the Tories might soon "have the Government Interest out of the Hands of the Whigs" or that "a third Party" might "make a Spoil of the Whigs" by "buying their Estates at about 50 per Cent less than they cost them." (38) Noting that Bank stock had fallen from 129 per cent to 95, "and the rest in Proportion," he calculated that the value of the stocks held by the Whigs had depreciated by £30 million. He admitted that the new ministry suffered because it was difficult to borrow when credit was sinking, but he claimed that the Whigs inflicted much more damage on themselves. Yet he clearly recognized the dilemma which they faced:

"To Support Credit, is to Support the New Ministry
 To Ruin Credit, is to Ruin the Whig Interest
 To keep up Credit, is to Clench the Alterations
 beyond hope of Retrieving them.
 To Ruin Credit by Sinking the Funds, is to throw
 away our Estates, ...
 To Maintain Credit, is to keep down the Old
 Administration
 To Ruin Credit is to Support France, and deliver
 Louis XIV from the Necessity of making a Peace
 Safe and Glorious to the Allies
 To Support Credit, is to uphold the Tories
 To Ruin Credit, is to bring in the Pretender
 To Support Credit, is to Encourage the New Pilots
 To Ruin Credit, is to Sink the Ship, and Drown all
 the Passengers." (39)

Defoe, of course, had no suspicion at this date, nor indeed for many more months, that his old employer, to whose service he had just returned, had already initiated secret peace discussions with French ministers which would ultimately lead us to

38. Defoe again distinguishes between the Government and the administration. He does not give any details of this "third Party" but he may have meant a number of non-party men as he seems to have doubted if the Tories had enough money to buy these stocks.

39. Review, Vol. VII (No. 104) pp. 413-415.

desert our allies and to withdraw from the conflict. (40)

Although he was acutely aware of the heavy losses in men and money and of the interruptions to trade, so that he deeply regretted the failure to make peace in 1709, he was still in favour of a vigorous prosecution of the war, both in Flanders and in Spain, in order to deliver a knock-out blow to Louis XIV and the Old Pretender. (41) Therefore, there could be no question as to the correct decision, cruel though the choice was. "One may Ruin us, but the other must ... A Tory Ministry may oppress us, but France would devour us." (42)

Defoe's relationship with Harley was never as close after 1710 as it had been when he first served him between 1704 and 1708. From the start he was desperately searching for opportunities to commend himself to his former employer and his correspondence betrays his feelings of insecurity even before he was displaced by Swift as the chief propagandist for the government. He twice told Harley that he "would not be an invalid" and he reminded him of his former services in Scotland and suggested that he should undertake another mission there. (43) It was obviously in Harley's interest that Defoe was marshalling the above arguments, especially the claim that public credit did not depend on a particular minister or ministry but was "the consequence of honourable, just and punctual management in the matter of funds and taxes, or loans upon them," but he had always maintained that fair dealing was the foundation

40. See my M.A. Thesis, op. cit., pp. 202-223.

41. Ibid., pp. 199-202.

42. Review, Vol. VII (No. 104) p. 415.

43. Hist. MSS. Comm. Portland MSS., Vol. IV pp. 562, 581.

of both public and private credit. (44) In June 1709, a year before the collapse of the Godolphin-Marlborough ministry, he had written that "that wonderful Thing, we call CREDIT, the great Mystery of the Age, and the great Prop at this Time both of our Commerce and the War" had suffered grievous blows from Charles II's unwarranted attack on the Dutch Smyrna fleet and from the stop of the Exchequer. At the outbreak of the Spanish Succession War, Parliament tried new methods such as "Giving their Supplies early," Godolphin having seen "the Error of giving insignificant Nominal Funds, passing the Land Tax in April etc." This change in financial management had had three decisive results. First "PROJECTING receiv'd a Kind of Banishment from Court" with the consequence that Queen Anne had been able to tell her next Parliament "a Piece of News they never heard the like of in our Age, Viz. That the Funds had fully answer'd, ... Here the second Enemy of our CREDIT receiv'd a mortal Stab, ... that ill-natur'd Monster call'd DEFICIENCY." Thirdly, the Queen had ordered "an Account of all the Receipts and Payments of Money given, to be laid before the Parliament, to let them see, that every Branch had a just Management; that what was given had been honestly apply'd, as it had been appropriated; and here the third Enemy of our Credit perish'd, call'd MISAPPROPRIATION." (45)

He now used these views as the basis of his "Essay upon Credit." Credit, he declared, "is a consequence, not a cause; the effect of a substance, not a substance; 'tis the sunshine,

44. "An Essay upon Credit," Somers Tracts, Vol. XIII, p. 32.

45. Review, Vol. VI (No. 32) pp. 125-126.

not the sun; the quickening something, call it what you will, that gives life to trade, ... it is the oil of the wheel, the marrow in the bones, the blood in the veins, and the spirits in the heart of all the negoce, trade, cash and commerce in the world." While he again paid tribute to the "great and unusual dexterity" with which the best lord treasurer for many years had managed the finances, the main theme of his argument was that credit was not "the sole property of my lord treasurer personally" but depended on the same foundation as personal credit, that is on national probity. Making use of the clock-work allegory, which was almost as popular as that derived from the bodily circulation, he compared the great officers of the treasury and exchequer to the balance wheel that regulated the motion whereas the queen and parliament were the spring that gave motion to the whole mechanism. The "great guide of the nation's treasure" had not been responsible for "the new face of public credit at the beginning of Anne's reign, but the new concern by the queen and parliament for punctual payment and the removal of the old weaknesses of deficiency and misappropriation." Defoe did not explain why these principles had not animated the government of his great hero, William III, rather he instanced the above measures and the queen's generous contribution of £100,000 from the civil list as "steps no prince ever was known to take before." Despite far higher taxes than any raised in the previous reign, "the more you raised, the easier they were paid; the more the nation ran in debt, the higher their credit rose every day." As he summed up this thesis

"Publick credit is the consequence of honourable, just and punctual management in the matter of funds and taxes, or loans upon them. Where this goes before, credit always follows.

This management depends not upon the well-executing their offices, by the great officers of the treasury and the exchequer, but on the care, conduct, and vigilance of her majesty and the parliament: The latter in establishing sufficient funds, and the former in placing able officers, and obliging them to an honourable management."

Since Anne had shown such consideration for the national credit, she would not have dismissed Godolphin unless she believed that this would be equally safe under new officers. Unless "credit centered all in the queen," the implication would be that the nation "ought to be more concerned for his lordship's long life than the queen's; a thing would very ill please even his lordship to suggest." When Defoe wrote, it was the rule that much more responsibility had to be ascribed to the queen than she discharged in practice, but towards the end of the pamphlet he expressly stated that credit did not depend "upon the person of the queen, as queen, or the individual House of Commons, identically, as if no queen but her present majesty, and no parliament but the present parliament, could support and uphold the credit of the nation" but the same honest measures would produce the like result, especially if "men of moderation and men of integrity", such as he believed Harley to be, replaced the dismissed ministers. (46)

The continuing crisis of confidence and his need to render some further particular service to Harley led Defoe to publish his "Essay upon Loans." On September 5, 1710 he made another

46. 'An Essay upon Credit' 1710, Somers Tracts, Vol. XIII, pp. 28-34. Cf. Memoirs of (Publick Transactions in the Life of) ... the Duke of Shrewsbury (1718) p. 63 - "the Credit of the Nation centred in the Parliament not in the Treasurer; in the Goodness of the Funds on which Money was advanced ... that it was on this account called the Publick Credit."

attempt to restore his former relationship with his benefactor:

"I would fain be rendering you some service in return for the favours I daily receive from you and this makes me give you frequent troubles of this nature.

.....
The people are out of humour and alarmed, and to speak to them in the public paper I write would be to do no good at all, yet they should be spoken to; I am vain of saying the first step I took has been successful and has done more service than I expected, in which the town does me too much honour, in supposing it well enough done to be your own. I mean the Essay upon Credit.

If you think it proper I would offer another piece of the same kind, which I would call an Essay upon Loans; in which I think it may be of some service to take a certain people a little off of a notion that they can bring the Government to do what they please by refusing to advance their money; laying no weight upon the advantage the lenders make, and what need they stand in of funds.

This I promise myself shall tend to lessen the vanity of some people who still fancy the Government must be obliged to change hands again, merely to oblige them, if they do but exert themselves by keeping back their money. After this I would offer an Essay upon Banks in which I would attempt to bring those men of paper to know themselves a little, by showing how well the Government can do without the Bank, and how ill the Bank can do without the Government.

These things are the effects of my constant study to render myself useful in the low sphere in which I act, and I humbly offer them for your approbation." (47)

Thus the nub of his argument in this second financial pamphlet of 1710 was that the new practice of raising money by loans had been so extraordinarily advantageous to the investors that they would not long withhold their money from the new government. As the war against France since 1688 had been the greatest struggle in which Britain had yet been engaged, so it had been the most costly, especially in money.

47. Hist. MSS. Comm. (Portland) Vol. IV, pp. 584-585.
B.W. Hill, "The Change of Government and the Loss of the City" 1710-1711, Ec. H.R. 2nd. series, Vol. XXIV (1971) p. 403, mistakenly makes Defoe the mouthpiece of Harley's views in this pamphlet.

He seemed to find it a matter for congratulation that most of the expenditure in the Nine Years' War had been met by taxation, ignoring the fact that the government had had no alternative because its credit was not sufficiently well organized to float long-term loans: (48) "The nation was rich, trade prodigiously great, paper-credit run high, and the gold-smiths in Lombard-street, etc. commanded immense sums; anticipations were indeed in practice, they had been so of old, and borrowing clauses were added to the bills of aid, but these lasted but a few months, the money came in of course, and they were paid off in their turn: Land-tax, polls, additional duties of customs, excises, and the like, were the ways and means by which things were done; the year generally supported its own demands; all the loans were supposed to be temporary, and to end with the collection." His next remarks, however, reveal that he was fully aware of the chief weaknesses of Halifax's financial administration. (49) "The ordinary taxation proved inadequate as the expense of the war increased, but the new taxes, although they were backed by parliament, "were too unadvisedly supposed to raise such certain sums as the public occasions then called for, and borrowing clauses were added to them, limiting the said sums; which passed as a giving the treasury credit upon the acts of parliament for such sums as

48. P.G.M. Dickson, *op. cit.*, pp. 49-50, "there was before the 1690s little or no experience of large and sophisticated financial projects, either in Whitehall or in the City of London ... government borrowing during King William's War was expensive, small in its relative amount, and tentative and experimental in form." It covered only £6.9 m. of a total government expenditure of over £12 m. 1688-1702.
49. Dickson, *op. cit.*, p. 59, considers that many later writers have followed Macaulay in exaggerating Charles Montague's financial expertise. He concludes that he must bear some of the blame for the financial crisis of 1696-7.

they were granted for; but the collections falling entirely short of the sums proposed, left the publick in arrears to the lenders, and from hence came the great load of deficiencies which the nation feels the weight of to this hour." Finally, as it proved "next to impossible to raise every year what the publick occasions called for, recourse had to be made to "a new method" of funding the interest on long-term loans "the principal to sink in the hands of the publick." To encourage the people to lend upon these funds, premiums for advancing the money, large interests, and other advantages were annexed; such as 14 per cent. per annum upon annuities, with survivorship, chances of prizes by way of lottery, 7 per cent upon exchequer bills, and the like." He reminded the investing public "that in the advantages granted by the government upon these loans, and the great discounts upon tallies on the deficient aids, mentioned above, were founded the great stocks of money, banks, and powerful credit, with which some people are grown to such a height, especially in their own opinion, as to talk of influencing the publick affairs, and, as it were, menacing the government with apprehensions of their lending or not lending, as they are, or are not pleased with the management of, or managers in, the publick oeconomy." Similarly when the deficient tallies to the sum of £1,001,172 were engrafted into the Bank of England stock, they were taken in at par "which cost the subscribers but 55 to 65 per cent. by which the greatest estates were raised in the least time, and the most of them, that has been known in any age, or in any part of the world." Because of the large inducements given to the investor

"the government appeared like a distressed debtor, who was every day squeezed to death by the exorbitant greediness of the lender.

Defoe drew three conclusions from this past experience coupled with the convictions which have already been noted:

"I. Large interests, premiums for advance of money, and the like, will bring in loans in spite of parties, in spite of deficiencies, in spite of all the conspiracies in the world to the contrary; while a just, honourable, and punctual performance on the part of the government, does but maintain the credit of the nation.

II. As the affairs of the government have made loans necessary ... so the stream of trade and cash is so universally turned into publick funds, the whole nation feels so much of gains, so much by, and depends so much upon the publick credit, that they can no more do without the funds, than the funds can do without the loan.

III. These borrowings and lendings are become so much a trade, so many families have their employment from, and get so great estates by the negotiating these things, that it is impossible for any particular set of men to put a stop to it; or to get any such power into their hands, as to give the government just grounds of apprehension, that this or that party of men can put a check to the publick affairs, be they whigs, tories, city, court, banks, company, or what they please to call themselves."

These conclusions were rooted in his estimate of the power of avarice and in his conviction that it was the trading community which had the surplus money to invest in the funds, particularly when war interrupted normal commerce. "Men in trade, more especially than the rest of mankind, are bound by their interest; gain is the end of commerce, ... as no hazard can discourage, so no other obligation can prevent the application." Party interest would never prevail against this natural human desire for gain. It was impossible "that a people should reject the fair and just advantages which have raised so many estates, and are the due supplies to the breaches made by the war upon general

commerce. To talk that we would not lend money to the government, while the parliament settles funds, allows interests, gives premiums and advantages, is to say, Nature will cease, men of money will abstain from being men loving to get money; that tradesmen should cease to seek gain, and usurers to love large interests; that men that have gained money should leave off desiring to get more; and that zeal to a party should prevail over zeal to their families; that men should forfeit their interest for their humour, and serve their politics at the price of their interest." He rejected any idea that "parties govern any thing in trade," that there was "either whig or tory in a good bargain; churchman or dissenter in a good freight." Did not men "buy, sell, lend, borrow, enter in companies, partnerships, and the closest engagements with one another, nay, marry with one another, without any questions of the matter?" He repudiated his own suggestion in the 'Review' that the Whigs had "the gross of the cash," but he did not discuss this further than to say that neither party had "so much or so little, as to render them formidable or contemptible to one another in the matter of loan."

Nor did Solomon's dictum that "the borrower is servant to the lender" apply to the funds, provided that the government offered "an unquestioned security." Instead he put forward the hypothesis "that the people of England stand in as much need of the funds to lend their money upon, as the government stands in need of their money upon those funds." He supported this by the response to public loans even when the interest offered by the government was reduced:

"In the beginning of the war, when the money lay abroad in trade, the knowledge of affairs young, and the people not apprized of the thing, the anticipations upon taxes and loans came heavy, and were small. What drew them on? Large premiums, high interests, chances of prizes, survivorship and the like.

Thus, when the necessities of the government were great, and their credit young to borrow, the lenders made their market: But when the government found themselves rich in funds, ... credit established, the parliament, the great fund of funds, and centre of credit, ready to make good deficiencies, ... What was the case? You took off your premiums, you drew no more lotteries for sixteen years, you lowered your interest, you brought your annuities from 14 to 7 per cent. and your interest on tallies from 7 to 6 per cent. per ann. From 7 per cent upon exchequer bills, you came down to 4 per cent. And what was the consequence? The necessity of the lenders being more to lodge their money for improvement, than the necessity of the borrowers was to ask, they came always down to your price; and had you brought the general interest of loans to 4 per cent. they must have come down, for money is no longer money than it can be improved. Nay, ... the eagerness of the people to bring in their money increased as the advantages of lending decreased: Having no way to improve it better, they were under an absolute necessity of bringing it in, for the sake of the improvement."

If the Whigs would not lend their money to the Tory government, they must then "lend it upon private security, upon land and the like." In this case the borrowers would lend it to the government and gain the advantage of the higher rate of interest upon the funds and the same would also be true of some of the money which the Whigs invested in trade. "In short, the government shall have your money first or last, do what you will with it." If the nation actually came to be divided into two parts, the landed-men and the monied men, and the government were in the hands of the landed men while the Whigs still talked of withholding their money from them, the ministry should secure an Act forbidding the Whigs from lending any money to

the government. The Whigs "would be immediately distressed with the weight of money without improvement" and would be loud in their complaints "of their being excluded the common advantage of their fellow subjects; and that, paying their share of taxes, they ought to have room for equal improvements." Their estates "were gained by lending. Those that have them are too eager to increase them, those that want them are too eager to gain them, by the same method, and all too covetous and too selfish not to come into any good proposal." The worst that the Whigs could do was to force a rise in the interest rate but the nation would know who were responsible for this retrograde step. They appeared willing to let the war miscarry rather than lend their money while their rivals controlled the administration and it was quite inconsistent to accuse the Tories "with designs to make peace with France, and yet endeavour, by discouraging loans, to render it impossible for them to carry on the war." Yet they would not succeed in forcing up the rate of interest. "While the parliament supports credit, and good funds support the parliament, money will come in as naturally as fire will ascend, or water flow." (50)

Although this was effective propaganda for Harley, it was not the true explanation of the credit crisis of 1710 to 1711, which was not due to the machinations of Whig financial interests but to the sharp rise in the floating debt during the later stages of the war, especially in the debts incurred in obtaining

50. 'An Essay upon Loans' (1710), Somers Tracts, Vol. XIII, pp. 35-42. Cf. Counter Queries, (1711) queries XI, XII, XIII, XIV.

supplies for the armed services. (51) Despite the financial ability of Godolphin and of his Secretary of the Treasury, William Lowndes, the discount on 6 per cent. Navy Bills, which was already 12 per cent at the end of 1708, rose to 26 to 30 per cent in 1710 and endangered the whole structure of credit. The dismissal of Godolphin followed by the election of a House of Commons with a large Tory majority "eager to attack the financial oligarchy of the City of London" made the creditors of the Navy and Ordnance Boards apply severe pressure on the Treasury for payment. These creditors included London finance houses which had discounted the bills for the contractors. The crisis continued into the summer of 1711, with the discount on Navy Bills rising to 33 per cent and on 6 per cent Victualling Bills to 45 per cent, but it proved to be much less severe than that of 1696 to 1697 and was surmounted by "good Treasury management and the co-operation of the Bank of England," usually regarded as a Whig financial institution. Defoe was obviously wrong in his forecast about the rate of interest for in effect the short-term rate rose to 10 to 11 per cent and the lotteries of 1711-12 could only be floated at an unrealistically-generous discount. (52) Yet he was correct in his assumption that government securities would continue to attract investors. In 1711 he compared the Whig rush to invest in the lotteries to the advance of the "Israelitish Army" on Jericho. "Not the Walls of Jericho, at the Sound of the dreadful Rams Horns did more

51. P.G.M. Dickson, op. cit., p. 403, gives an excellent explanation of this increase in the floating debt.

52. For this summary of the crisis of 1710-1711 I have followed Dickson, op. cit., pp. 64, 74, 361-363.

swift Obeisance to the Host of Israel ... than all the Resolution of the Whigs to damn Credit, and reject Funds." This "fell flat to the Ground at the first Sound of the great Proclamation, or Act of Parliament for 9 per Cent, upon a Lottery." (53) The first of the two lotteries of 1711 was in fact over subscribed and many investors were turned away. (54) In 1712, when he had become so inextricably involved in the pamphlet war about the Tory ministry's peace initiative and the desertion of our allies, especially of our fellow-Protestants in Holland, he made a much more violent attack on this alleged cupidity of the Whig investors which probably reflects the financial difficulties which still faced Harley's administration:

"We do not want Lenders, but Funds to borrow upon; we have Usurers enough among us to devour us, we want no Help from the Dutch, we are not without a Sort of Men among us, who having little or no Interest in the Freehold, have amassed infinite Sums of Money in Cash, with which they Trade upon the rest, and live upon the Blood and Vitals of the Government; these, like the Eagles where the Carkass falls, gather together; and if the Parliament can but find Funds, tho' they boast of having the Power of Credit in them selves, and often think of making them selves Formidable, by threatening the Government that they will lend no Money ... yet they can no more forbear, than a Vulture can forbear his Prey, the Funds are the Carkass they feed on; they are as Hungry for them, as a Lion that has been Hunting, and found no Food; and in spite of their Faith, often Pledg'd to their Party and Friends, to run down Credit, ... let but the Ministry find a Fund, and the Parliament establish a Lottery, or Subscription, or Loan, and they are ready to trample one another to Death to get in their Money, ..." (55)

53. Eleven Opinions about Mr. H(arley)y; With Observations (1711) p. 42.
54. P.M. Dickson, op. cit., p. 74; Hist. MSS. Comm. (Kenyon) p. 446
55. A Further Search into the Conduct of the Allies (1712) p. 21. The reference to those who had "no Interest in the Freehold" shows how far he had become the mouthpiece of a Tory government by this date. In 1718 he recalled that the Whigs finally spent "immense sums" in buying South Sea stock until "they bought the Party, who set it up, out of Door." Remains of the Duke of Shrewsbury, p. 99.

In one of his earlier, and consequently more independent, pamphlets about the peace negotiations, he agreed that the Whigs had "the commanding Share in the Loans upon all the publick Funds." (56) But their attempt to drive the Tory government "into a Labyrinth" which would force them to give up the administration made it "absolutely necessary such Party-powers be deposed; and seeing that Credit may be set up to rule the Crown, it is Prudence to put the Crown out of the necessity of depending upon Credit, that the Queen may not be made a Property to a few of her Subjects and the Landed Interest to be bought and sold by the Usurers." (57) In the event, however, the Whigs "lived to see one Maxim they depended upon proved false ... viz. That they that have the Money, must have the Management, whereas, on the contrary, it is a Maxim more just, and founded upon a firmer Rule of Politicks, ... That they that have the Management will have the Money, and where else are all your Fancies of Tyranny, Oppression, and arbitrary Power; for if Property was a Security to it self, and that Party that had the most Money, were sure to govern the rest, while the Whigs have the Money, they have nothing to fear. But Experience always opens Mens Eyes at last." (58) Despite the concentration of money power in the hands of the great Whig financiers in the City, which decisively rebuffed the Tory attempt on the Bank directorate in April 1711, the most recent historian of the period has accepted Defoe's maxim, and has

56. Armageddon (1711) p. 6. J.G. Sperling, The South Sea Company ... (Boston, Mass. 1962) p. 7. If the stockholders of the Company "had been allowed to choose the directors there is little doubt that the 'moneyed' Whigs would have gained control."
57. Reasons why a Party among us ... (1711) pp. 32, 33-34.
58. Eleven Opinions about Mr. H(arley), p. 43.

added that "the history of the Harley ministry provided evidence enough between 1710 and 1714 that a Whiggish Bank directorate, even one that was hostile to the government's foreign policy, could not afford to keep up an incessant feud with an administration controlled by its political opponents."
(59)

Did Defoe come to believe his own propaganda about a Whig plot against public credit? His secret service work and his evident enjoyment of these underground activities may have developed too-ready a tendency to detect intrigue and he lived in an age when rumours of plots were easily believed. When he returned from Scotland in February 1711, the financial situation was still so serious that this was a field in which he could be of particular service to Harley and he may have tried to make his contribution even more important. His first letter after he reached London asked for permission to write about "Credit and of proper means for filling the Lottery, which I hear already some people please themselves with expectation of seeing disappointed and to make suggestions for increasing the revenue from the coal, post and stamp duties." (60) In his

59. G. Holmes, British Politics in the Reign of Anne (1967) p. 174. This was the earlier conclusion of B.W. Hill, op. cit., pp. 185-186, 211. "Dependent on the Queen's government for a lucrative income on short loans, they could not afford to remain permanently estranged from her ministers ... their instinct, as well as their interest, was to support the government of the day." On the other hand, Dr. Hill argued that Harley's great achievement was to ensure the permanence of the new fiscal system built up since the Revolution. "While 'public credit' had been held to be the perquisite of a particular man or ministry, and not of the national government as such, confusion was bound to attend every change of administration."
60. Hist. MSS. Comm. (Portland) IV, p. 659.

next, on February 26, he reported,

"... I have had but little time since my return to look among our old friends the Whigs, and therefore could say but little when you were pleased to ask me of them. I am sorry to be witness to so much of the weakness of those I thought would have before now have (sic) been wiser. When I came among some of my oldest acquaintance they would hardly converse with me, because as they said I had fallen upon them in my 'Review' for running down credit, yet I had not discoursed half an hour before they discovered themselves. One said he used to pay six thousand pounds in upon every land tax, but now had not paid in a farthing. Another had constantly discounted Navy bills, but would meddle with no more of them, a third would keep his money by him seven years before he would trust the Government with a farthing, and the like; and yet these gentlemen would not have it said that they run down the public credit.

They now set up to run down and discourage the Lottery and say 'tis a cheat, that the prizes carry a show of smaller odds than the last, but are but trifles except a few, and they inferior to the other; that the Fund is confused and uncertain, and the same suppositious; that the sum appropriated in particular is deficient by a great deal besides the charge of management of which no notice is taken. By this last I perceive the calculator I gave you notice of comes from them and has been among them. I am sorry to see the weakness of these people and indeed not more so, that I am apprehensive of the mischief they can do, as that no men are so inconsiderable but they may do some hurt. If you think it may be of any service, I humbly offer my thoughts that a small tract may be written about the size of the Essay upon Credit, and with the same secrecy, to explain the Lottery itself, and answer a little the coffee house clamour of ill men and make some of them blush. It may be so ordered as to be disposed all over England and Scotland, principally among those people who are most influenced by these people, ..." (61)

61. Ibid, pp. 662-663. The criticisms of the lottery were probably also his. The identity of the calculator remains a mystery as there is no other reference in Defoe's correspondence. Guiscard's stabbing of Harley ten days later possibly prevented the publication of An Essay upon Lotteries.

Although, for propaganda purposes, he continued in his anonymous pamphlets to upbraid the Whigs for their alleged plot to climb back into power on the ruins of public credit, in the 'Review' he showed a better appreciation of the situation of credit. At the end of July, he maintained that the value of the parliamentary securities, or funds, remained undisputed and that there was no "real Deficiency in the Produce of the Funds" which paid the interest of the government stocks - "the annuities are currently paid, the Exchequer Bills Circulate without Hesitation, no Payment in the Exchequer stops, all the Establish'd Interests are punctually answer'd." Even more significantly, he declared, "neither has there been any Backwardness in the Lenders, all the Funds of Loan have been attended with chearful, and indeed hasty advancing of Money, perhaps too hasty;" although he felt obliged to add "and this Security of the Funds is that, which will at last restore all again, in spite of Party and Politick Discouragements." Stock-jobbing replaced a Whig refusal to lend as the true cause of the fall in government credit. Thus in June 1711, he attacked the stock jobbers for wheedling people in to buy "upon the most absurd and ridiculous Whymsey of a Peace" in order to be able to sell out to them at a profit. Because "so light a Thing is the English Credit, and so easily does a Feather turn the Scale of that most material Article in our Prosperity, that on a meer Chimera," the investing public had been tricked into running up the value of the speculators' stocks "And now ... they drop the Fable, that your Stocks may fall, and they may buy them again cheap, and so keep them till they can bubble you with another cheat, ... and thus about once a Month, they

pick your Pockets of four or five per Cent. upon your Stocks." (62) This was just as inadequate a reason for the decline of credit but there was another reason for his more critical attitude towards the funds. As early as February 1711 he had become alarmed by his realisation that funding the debt by long annuities made much of it irredeemable for ninety-nine years. Indeed, he began to question "whether this Levying Money by Loans, upon Funds of Interest, be a Service to the Nation, or a Prejudice?" He accepted that it was better to borrow at "such moderate interests" as 4, 5 or 6 per cent, "than to press the People to raise such immense Summs as the war call'd for" and that it was "our Felicity" that the government had been able to borrow as cheaply as the gentry on the credit of their estates. If, however, interest rates returned to their former high level, "we had certainly better pinch at first, and levy the Money every Year, than borrow at the Price of an Entail'd Burthen, too great to be Redeem'd." He also wished that all funds "might, if possible, have this happy Clause annex'd to them, viz. Redeemable by Parliament." When peace brought reduced expenditure, it might not be a heavy burden for the nation to raise one million or two in a year to free itself from the heavy load of debt resulting from the war, so that Britain might be able to defend herself again, "and not be ty'd Hand and Foot for a HUNDRED Year" as she now seemed to be:

"... in the present Circumstances of Britain, fifty Years Peace gives us no Breath, nor are we one jot the more able to begin a War again, after 50 Years rest, than we are now to carry

it on; all our Capital Branches of Income, are actually Mortgag'd for an hundred Years, that is, in one Sence, for ever; the Customes, the Excise, the Salt, the Stamp Paper, they are all Anticipated, ... for they are almost all actually Sold in Annuities, not redeemable till the Expiration of Ninety nine Years ... The French King is not thus, he will be able to recover himself, gather Strength, lessen his Debt, and lay up Money; a few Years of Peace will recover him, restore his Loss, and make him the same Powerful Immensely Rich Prince that he was before -"

Yet he rejected any suggestion that the loans could be terminated by Parliament by repaying the principal and interest, any more than "the Vile Notion of a Sponge" could be used to extinguish the debt. True to his earlier opinions, (63) he reaffirmed, "the Annuities are an Absolute Bargain and Sale, and become the Properties of the several Persons that Enjoy them; they are Transferr'd on Purchases, Entail'd by Jointures and Marriage Settlements, and so many Dependencies hang about them, that it would be a most Barbarous Thing to Attempt the Redeeming them." (64)

While existing property rights were sacred, future bargains should be either redeemable or for a shorter term. In both cases a higher rate of interest must be offered to attract the investor. He noted that 6 per cent could be obtained anywhere, even on the Bank's sealed bills, and that no man would withdraw money from the Bank to re-invest it in the Exchequer for the same rate of interest, but if the government offered 8 per cent, the money would "presently stir." This rate upon annuities redeemable by Parliament was preferable to 6 per cent "for a

63. Supra, pp. 403, 413, 415-416.

64. Review, Vol. VII (No. 137) pp. 545-546.

HUNDRED Years Entail," but it would be a mistake to increase the rate on the existing funds, because "he that offers a higher Interest than he gave before, begs to borrow." He asked those who thought that the nation's credit had received "no blow at all" if "Funds on common Interest" attracted lenders as usual. "The Nature of the Thing is against it;" he declared, "a general Want of Money among the Trading Part of the Nation, has rais'd the Rate of Personal Credit, and I am mistaken, and very much misinform'd, if very good Security has not been given lately to borrow Money, and 12 or 15 l. per Cent. privately paid as a Premio - If Personal Credit runs thus, Publick Credit can never keep at common Interest; ... Bank Stock, Bank Specie Bills, East-India Bonds, and several other Securities which are undoubted, give 6 and 7 per Cent - It must be something that must make it worth while to dislodge these Securities, that must stir the Money, and renew the Circulation." (65)

By 1711 Defoe had also come to realize the important part played by the floating debt in the credit crisis. In March he described the Godolphin-Marlborough ministry as an administration "that Haughtily Engross'd Government it self" and "Used their Sovereign as a Royal Prisoner." It was "a Management, that under the Pretence of keeping up Credit, Concealed the Circumstances of the Nation from us, till we ran Seven Millions in Debt ... a Management, that pretended to have Money Crowded upon them faster than they wanted it, that filled up every Fund,

65. Review, Vol. VII (No. 138) pp. 550-551.

and commanded every Loan, and Glor'd in bringing down Interest of Money to 5 per Cent at the time that the Poor Creditors of the Government gave 22 per Cent Discompt for Money on the Government Bills." (66) Although this comment occurs in a propaganda pamphlet to strengthen Harley's ministry after he had been incapacitated by Guiscard's knife, the rapidly-increasing volume of unfunded debt was the weakest part of Godolphin's financial administration. In May Defoe referred again to "a heavy Debt too long conceal'd and no visible appearance of a Method to work it off, foretold it would sink the Power at last, that upheld it." This was one of the two "signs or Comets" that heralded the dissolution of the Whig government. (67)

Although Professor Sutherland suggested that Defoe "must almost certainly be given some of the credit for originating the South Sea scheme by which Harley tried to deal with this problem by funding the Navy debt, this does not seem to have been the case. Defoe was in Scotland from November 1710 to

66. A Spectator's Address to the Whigs on the Occasion of the Stabbing Mr. Harley (1711) p. 9. Cf. Counter Queries query IX.
67. Eleven Opinions about Mr. H - v (1711) p. 37. See J.G. Sperling, op. cit., pp. vii-x, 63-66. When Marlborough assumed command of the army, he insisted on Godolphin's appointment as Lord Treasurer and Godolphin ensured the necessary credits for the pay and supply of the forces in Flanders. Because the Commons did not vote enough money for all the services, annual deficits accumulated by increases in the floating debt in the Navy, Ordnance and Transport offices. Although there was no direct parliamentary sanction for these debts, they were not concealed. Parliament was well aware of Godolphin's policy, and there was no danger of the ministry being overthrown by a credit crisis so long as the tide of victory continued. After the failure to make peace in 1709, followed by Malplaquet, Dutch investors in particular began to lose confidence in the ability of the two colleagues to stay in office and the growing volume of unfunded debt became more and more important.

February 1711, and during the weeks from March to May, when Harley was recovering from Guiscard's attempt on his life, he wrote only one letter, on April 25, congratulating Harley on his escape and, in a postscript, asking for half an hour's audience. (68) When he resumed his regular correspondence with his patron on June 7, his opening phrase, "in obedience to your commands" suggests that he had had such a meeting (or received some instruction). But this letter is devoted entirely to Scottish affairs and the only reference to the South Sea Company in the next, dated June 19, a week after the Act establishing the company received the royal assent, is in the following plea, "I am your daily petitioner for an opportunity in but six words to lay before you some things relating to new uneasinesses in Scotland; something relating to the trade to the South Seas, which abundance speak evil of because they do not understand; ..." (69) His third letter, of June 26, is again occupied with Scottish affairs except for this concluding sentence, "I would gladly have spoken six words to your Lordship on the subject of the South Sea affair, in which I persuade myself I may do some service in print." (70) The following comments in his next, on July 13, show how he was desperately trying to re-establish his former intimacy with his ministerial employer: "... I extremely wish for an occasion to render myself useful as the best method to show myself grateful and according to the freedom you were always pleased to allow me, I shall endeavour to show my fidelity to your

68. B.M. Add. MSS 7001 ff. 460-461, reproduced in G.H. Healey, ed. The Letters of Daniel Defoe (Oxford 1955) pp. 326-328.
69. H.M.C. (Portland), V. pp. 13-14.
70. Ibid.

interest and zeal for the public service, as the best way to serve and oblige your Lordship ... Yet I am your humble petitioner that you will be pleased sometimes, when leisure may admit, to continue me the liberty of a personal conference as usual, as well to explain myself on such matters as are needful as to receive such hints from you in public matters as you shall see meet to communicate for my direction." Two of the four heads which he wished to lay before Harley were "2. The new undertaking of the trade to the South Seas, and how it may be put in terms not to give the Spaniards any umbrage and yet carry as good a face and be as effectual at home as if it were otherwise" and "4. Some proposals ... for improvement of the Revenue and raising money in England against the next year."

(71) His next letter, on July 17, began, "In pursuance of your Lordship's orders of putting my thoughts in writing on the subject of the trade to the South Seas, I have enclosed to you a short general, ... I have put a stop to what I was saying in print till I may know if my thoughts are of any consideration in your judgement, and because I would not by distinguishing too nicely discourage the thing in general ... I know well how much is at stake upon this affair, and how well pleased some would be (merely on your particular account) to have it miscarry." Defoe's chief objection to the South Sea scheme as it originated, and which he claimed was the main reason why it was being attacked by the opposition, was the notion of a free or direct trade between Britain and Spanish America. (72) The reference in this letter "By a liberty of commerce I mean just as your Lordship

71. Ibid, v. pp. 44-45.

72. Ibid, v. pp. 50-51.

was pleased to explain it to me" suggests that Harley had indeed some such plan in mind, but Defoe pointed out that the Spaniards would never agree to this and that it would give a handle to the French interest in Spain to discredit the British with the Spaniards and further commend Philip V. to them. (73) On the other hand, the Spaniards could not object so strongly to a British settlement on the largely unoccupied parts of the Spanish continent as in Patagonia or in Chile, especially if established during the present conflict, and this would "give a credit to the design and answer all the ends of a South Sea company, though their stock was to contain the capital of the whole subscription." (74) Therefore, he enlarged on this colonization plan in a further communication in July and on July 23 he submitted detailed proposals which he claimed to have presented to William III and the Earl of Portland and to have kept by him until Lord Nottingham's alleged attempt in 1703 to force him to betray the Whig confidants of the King compelled him to burn them with the rest of his papers. (75) Lastly, Defoe had quickly seen that the "two great ends" of the new company were: "1st. Respecting the Government, that a debt may receive some advantage above their six per cent. that may be so considerable as to raise their actions, and make them gainers by their subscription," that is, that public expectations of a profitable venture in South America would raise the value of the company's shares held by the creditors in exchange for their claims against the government. (76)

73. Ibid., Infra, pp. 591-592.

74. Ibid.

75. Ibid., v. pp. 66-68, 58-61.

76. Ibid., v. p. 52.

Defoe's comments show that he had not been consulted at the start of the scheme, which originated in proposals from John Blunt and George Caswell of the Sword Blade Bank, and from the contractor, Sir Ambrose Crowley, (77) although he naturally defended it once it had been launched. His defence, however, characteristically reflected his individual views on both the financial and commercial aspects of the new company, since he was never the mere mouthpiece of his employer's opinions. Thus, on July 26, 1711, he answered "the Great, most Popular, and indeed most Specious Clamour rais'd against this new Affair" in forcing people "to Subscribe their Tallies, Orders, Bills etc. into this new Trade." He agreed that there was "something harsh" in forcing "a free Debtor to take an Establish'd Interest for his Debt, and not receive the Principal according to Contract" but there were two particular considerations in this case:

"1. The Circumstance of the Nation - The Debt is heavy, and the just Clamour loud - The course of Things could neither give Principal or Interest in any Time to be nam'd, if ever; poor People sold their Claims for want of Money, unsufferably low, the Gain of the Thing began to run all in the Channel of Usury and Extortion - ... 'tis no Reproach to us, to say we could not have rais'd nine Millions sterl. to pay the Debt, wherefore a Payment of Interest for the Debt, and Establishing that Interest upon a Substantial Fund till the Principal can be paid, not only was agreeable to the Usage and Custom of Parliament, and what this Nation has frequently acquiesc'd in upon lower Terms, as in the Case of the Orphans Fund, the Old Exchequer Debt."

Secondly, he argued that the creditors were not forced to subscribe and that when the company was established, it could vote against engaging in the South Sea trade. If they did not approve of the scheme, they could probably dispose of their

shares at a premium and were "only forc'd to take perhaps 20 per Cent for their Debt more than it was worth before." (78)

He developed these arguments in the three pamphlets which he published in the autumn. He did not discuss whether the "Vast Debt" was due to "the Misconduct of the former Managers, or by the Necessity of the Publick Affairs," although he could not resist a reflection on "the concealing it from the Nation so long," but urged that it endangered the whole organization of public credit, "since the People who had trusted the Governmen with such Great Sums of Money would too much influence the future Lending and Lenders of Money, if no Care was taken to make Payment to them." The total of the unfunded debts, plus the continuing interest charge, was over £8½ million and more than £66 million was also needed for the ordinary expenses of the coming year. The impossibility of raising such a huge sum in one year while the war continued was a sufficient answer to those government creditors who condemned the new scheme and wanted the existing system of delayed and irregular payments to continue. In Defoe's opinion, the government was obliged to settle this growing evil of unfunded debt. "The Demand was Great and Loud; the Sum was branch'd out into Multitudes of Hands and those Hands such as being the Trading Sort of People, could not the best of any be without their Money." As a result the poor creditors ran to the stock-jobbers,

"to the Man-eating Discounters, and Money-lending Extortioners, either to pledge or sell their Bills; and the Payments in Course appearing every Day more and more Remote and Uncertain, those Cannibals ...

made every Day their Advantage of it to prey upon the Necessitous and Indigent People, till the Discount of these Bills came to near 40 per Cent. and the Tickets of Poor Sailors to above 50 per Cent. Discount if Sold; and Loans upon them were worse, they being not to be had under 10 to 12 per Cent. Interest, which in a few Years would swallow up the whole Debt, Principal and Interest, ... This every Day sunk the Credit of the Navy, Etc. so that the Rates of every thing rising in Proportion to the Discount of their Bills, would soon have brought the Queen's Affairs to the same or a worse Posture than his late Majesty King William struggled with, when the Sum given by Parliament, thro' the Extravagance of Discount, Prices of Goods, and Deficiencies of Funds Etc. were generally to be accounted in real Aid of the Publick Service to be not above One Third of what they were called in the Votes of the House."

Each year the ordinary expenditure caused a greater rise in the debt than any due to unforeseen contingencies.

He insisted that "the Plague of Parties" was responsible for the opposition to the ministry's proposals. Whereas the ministry expected that the grant of an exclusive trade to Spanish America would be received "with a particular Satisfaction," the combining the debt with trade had given rise to much of the criticism. He wished that the subscription of ten per cent of this debt to form the stock of the new company had been left "more to Choice," although the force was only such "as you would have forc'd a Child or a Lunatick out of a House that was on Fire." The South Sea stock took nothing from the subscription which it did not first add to it. Because arrears of interest were to be added to the original debt to form the new principal, the interest which would be received from the subscription on these arrears would in time amount to more than the ten per cent which was to be called in by the company.

"Had this Fund of Interest stood by itself as a Security for the Payment of this Debt, adding the Arrear of Interest to the Principal Debt, and turning the Whole into an Annuity of 32 Years at 6 per Cent with the Principal Money to be then repaid, nay, tho' the Principal Money had been then to sink, it would gladly have been accepted," whereas adding the supposed attraction of a trade with Spanish America had proved to be "the Fly in the Sweet Ointment of the Apothecary." "On the other Hand, had the Ministry proposed such a Trade by itself; had Books been laid open in the City for a Voluntary Subscription of a Stock to carry it on; ... Would not any Sum ha' been subscribed?" For proof of this claim he instanced "the forward Humour of the Age in New Adventures," "the long Interruption of Trade by the War" and "the Flush Stocks" in the hands of the trading people." (79);

Had the creditors "been obliged to give away TEN per Cent, to the Government, or to Greenwich Hospital, etc. in order to procure such a settled Fund for their Debt, they would have gladly accepted of the Fund for the Security of the Principal and Interest with that Payment; and would have thought themselves well used." He asked them if they were better or worse than they were before. If they thought that they were worse, he reminded them that they were not bound to subscribe to the scheme. When they retorted that this left them without any provision for their debt, he enquired if they were not so before. "Had you any Confidence in the Parliaments settling

a Fund for so vast a Summ? ... Would not every Year have added vast Summs both of Principal and Interest to the Debt?" The critics seemed to be presuming that the ten per cent subscription would be completely lost, but he answered them with this prescient forecast, "if the South Sea Company should go on with any prospect of Success, ... Then we shall be Stockjobb'd up as fast as we are now Stockjobb'd down, and every Adventurer will be able to sell his privilege of Trading apart from his Debt, perhaps for double, and to be a gainer by the Fund, and a gainer by the Subscription also." Finally, he denied the suggestion that the ten per cent was only the first demand and that the whole of their debts were "subjected to the South Sea Trade" and might be called in "at the pleasure" of the company. (80)

In another pamphlet he maintained that no "real Objection could be raised against a Risque only of TEN per Cent in Trade, to secure a Debt which at the same Time they offer'd ev'ry Day to Sell at Forty per Cent. Discount." (81)

In his attempt to defend his former patron from impeachment again in 1715, he criticized Harley for linking the South Sea scheme with his efforts to remedy the financial crisis of 1710-1711. Harley's refusal to follow the advice, which Defoe himself probably gave him, to ignore the heavy load of unfunded debt left by Godolphin "was the wrongest Step that he took in the whole Course of his Administration; respecting his own Quiet," for otherwise the complaints of the government's creditors would have lain "at the Door of the former Ministry." By saddling himself with this debt, he ran the risk of overthrowing the

80. The True State of the Case between the Government and the Creditors of the Navy (1711) pp. 12-15.

81. No Queen, or No General (1712) p. 37.

public credit, and consequently his own government. He did not realize that those who benefited most from his efforts "would commence his implacable Enemies," although Defoe calculated that they gained over £2½ million by the difference between the market value of their debts and the price at which they exchanged them for South Sea stock. Had Harley secured Parliament's approval to fund these debts, "every Man must have acknowledged the Advantage of it." If he had then launched his South Sea Company as a separate venture, "he would not have wanted Hands for as many Millions as he should have thought convenient to have taken in, and it would have been a Company of Men of Honour, Merchants, whose Business it would have been to propagate the Interest of Commerce." (82) Defoe was genuinely concerned about the improvement of the state of public credit in 1711, but in arguing a vigorous case for the financial structure of the new project he was of course rendering a signal service to Harley. His own particular interest however was in the opportunity (which this dispute gave him) to advocate his cherished schemes of colonization in South America as the real business of the new company.

A constant theme in his writing on public credit was that a government must have the necessary finance to carry out its tasks and that if the money was not forthcoming by loan it must be obtained from taxation. "Lending Money on Parliamentary Funds," he announced, "is not done as a Favour or Kindness to the Government, but to the People ... the Queen borrows none; you borrow of your selves, that what the Queen wants to carry

on the War, may not pinch you too hard in the Raising."

"The Queen must have the Money, for the War must be carried on ... If then you would not have your Bread, your Beef, your Mutton, your Broad-Cloth, and Wearing Apparel Tax'd, and have a Swarm of Collectors at your Barns and Markets, so to raise the six Millions Yearly in Specie, by general Excises, and the like, then you must keep up the publick Credit; for if the Parliament cannot borrow the Money, they must take it." (83)

Although borrowing was "the easiest Way for the People," he offered to produce a scheme of taxation that would raise annually, for the next twenty years all the money which might be needed for the war, and yet not borrow one shilling, nor pay interest on a shilling. (84) His suggestions comprised 6d. per bushel on corn; 1s. in the £ at each sale of live cattle which would add at least 1d. per pound weight to the market price of beef and $\frac{1}{2}$ d. per pound on mutton, veal, lamb and pork; 1s. in the £, or perhaps 2s, on all wrought silks and broadcloth worn at home, and 1d. per yard on druggets, kerseys and other coarse cloth and in proportion on finer fabrics; 6d. per hat; 1s. per pair of silk stockings; double duties on imported linen and 6d. per ell on home-made linen. He estimated that these taxes would yield £7 million a year and if a larger sum should be required it was only necessary to increase the above rates. With deliberate irony, he claimed that a further benefit would be the end of stock-jobbing by "the shortest way" but not necessarily the best way, "by Constituting in their Room, a

83. He assumed that Parliament would vote the money which the government asked.

84. Review, Vol. VIII (No. 70) pp. 282-283.

little Army of about one Hundred Thousand Collectors, Receivers, Tax-Gatherers, Excise-Men, Offices and Officers innumerable," which, however, would provide employment for "many poor Indigent Families" who suffered particularly from the war and the decay of trade. (85) Even stock-jobbers were to be preferred to such an increase in the number of minor officials.

Perhaps this is the reason why he never developed his early proposal for increased taxation of personal estate. In 1697 he thought that trade and land had been handled roughly enough "by the wartime increase in taxation, whereas the retailers were in "extraordinary good Circumstances." They could also contribute to the revenue with least hardship because they could pass on the charge to their customers and it would only be equivalent to paying a higher rent for their shops. The land tax which emerged in 1698 from earlier experiments was designed as a general income tax and was not restricted to land, but Defoe complained that the rate of 24s. per £100 worth of goods or any other personal estate bore so little relation to a man's ability to pay and was a much lighter imposition than the 4s. in the £ on landed estate. (86) Were the tax collected as it should be, the retailers of manufactured goods ought to pay more than the total hitherto raised in a year, whereas they had not paid a twentieth part. Taxing them by composition on the wares which they sold, presumably by a percentage of their turnover, would be better than the existing

85. Ibid., (No. 72) pp. 290-292.

86. W.R. Ward, The English Land Tax in the Eighteenth Century (Oxford 1953) pp. 1-7.

practice of taxing their stock. The burden was very unequal when a poor labourer who worked for 12 pence or 18 pence a day, and even though he did not drink a pot of beer, paid a tenth of his income in other excise duties and really paid more than a country shopkeeper who might be an alderman worth £2000 or £3000. If the latter brewed his own beer, he might pay little or no excise and only 24s. per annum land tax per £100 instead of £36 per annum if he had been correctly assessed on his true wealth. Therefore twelve assessment commissioners should be appointed who would cover the whole kingdom in groups of three, but "not to meddle with land." Parish, poor rate and highway rate books should be available to them and "the Manner of Living and reputed Wealth of the People" should be investigated. Although "the Richest and Money'd Men in the Kingdom" pleaded poverty, there were men taxed at £500 stock who were worth £20,000 and a rich man near Hackney had offered £27,000 for an estate although he was only rated in the tax book at £1000 stock. Further, "ten certain Gentlemen in London put together, did not pay for half so much Personal Estate, call'd Stock, as the poorest of them" was reputed to possess. By his plan, Defoe hoped that "an over-grown Rich Tradesman of Twenty or Thirty thousand Pounds Estate, shou'd be taxed so, and Plain English and Plain Dealing be practis'd indifferently throughout the Kingdom; Tradesmen and Landed men shou'd have Neighbours Fare, as we call it; and a Rich Man shou'd not be pass'd by when a Poor Man pays," but he did not give any further details how he would ensure that rich men did not still succeed in concealing their real wealth from his tax commissioners and his scheme presented obvious

administrative problems for the existing machinery of government. (87) When he began to defend the Tory ministry's peace negotiations, he naturally seized on the heavy financial burden of the war and he argued that the government was faced with three courses because every article of the revenue was mortgaged generally for a hundred years and customs duties were "stretch'd to the Extremity ... and beyond what it was believ'd in former Times would be practicable." Since every necessary import or product, except corn and cattle, was taxed to the utmost, the government could choose between the two ruinous extremes of a general excise, which was "such a Burthen as no Nation ought to be loaded with, ... the Number and Condition of our Poor consider'd" and something that every Parliament had managed to avoid, or a stop to the payment of the interest on the funds. Although the latter "would fall heavy upon innumerable Families," it would be supported by "Ten Parts in TWELVE of the Landed Men in England." These considerations made nonsense of the argument of the "dissatisfied Party" that the way to overthrow the ministry was "to plunge them in the Matter of Funds, ... and bring them to such Exigencies" that they could no longer carry on the war and thus the Queen would be obliged to change hands again. But the difficulties created by the Whigs were not really difficulties except that the government was "backward and unwilling to bring Hardships and severe Things upon the Country." If they would adopt either of the above proposals, they could carry on the war as long as they pleased, without being obliged

any more to court the moneyed men to uphold the public credit. (88) In support of this proposition he quoted "one of their own writers", (namely himself in the 'Review') who had told them this plainly enough, for which he was "frequently curs'd among them," and who had warned them under the apposite simile of sinking the ship that this exposed them to the charge of being "willing to ruine the Nation, rather than not keep the Reins in their own Hands." The third alternative was, of course, to put an end to the war, although this might still be continued, "if the Government would so far abandon all Concern for the Miseries and Diseases of the Poor, as to load them with the unsupportable Taxes which are Practised in Foreign Countries; ... such as Gabels upon Cows, as in Italy and Switzerland, Polls upon their Sheep and Black Cattle, as in Prussia and Brandenburg, Tailles upon their Shops and Trades as in France, or general Excise upon their Estates, to the very Turneps, Carrets and Cabbage as in Holland." (89)

Defoe's objections to a general excise were of course the damage which this would cause to trade, although this was the chief means of raising revenue in that very successful trading country, Holland, and was advocated by Roger Coke and William Petty. But Defoe thought that the average Englishman enjoyed a higher standard of living than even his counterpart in Holland. He gave these principles of taxation in his 'Review' in May, 1712: "In laying Taxes, it is our Wisdom to load no part beyond its Power to bear; this ... is not to raise a Tax, but to prohibit

88. Reasons for a Peace: Or, The War at an End (1711) pp. 4-5.

89. Reasons why this Nation ought to put a Speedy End to this Expensive War; ... (1711) pp. 21-25.

a Trade; Small Taxes raise great Summs, Great Taxes none at all - Trade will bear hard Things, but over-weight will sink a Nation; ... For if the Trade be Tax'd so, as it cannot pay - The Trade dies - And if the Trade dies, Pray where is the Fund?" He looked on exportation and consumption as "the two Essential Articles of Commerce; whatever hurts either of these, touches the Vitals of the Nation, and the Soul of our Trade, the Mischief of which is such, that unless the Wound be prevented or cur'd, Trade must Languish, ..." "Enemies Abroad and Taxes at Home" were responsible for the present disasters to both branches, the first by excluding or interrupting our exports and the second by making everything dear to the common people and thereby lessening consumption. He showed the interdependence of the two in the following: "On one hand, the Merchants draw in, and venture little, and lose much; ... if the Merchant slacks his Hand in Adventuring, of course the Manufacture wants a Vent, the Maker's Stock lies in Hand, the Consumption lessens, and the Poor want Employment: If the Poor want Employment, they wear fewer Cloaths, eat sparingly, ... This affects the Consumption of Goods Imported, and lessens the Demand, ... that weakens the Funds, and makes deficiencies, those again Summon the Parliament to raise more Taxes, to make good those Deficiencies, which added to the Demands for the War, all join to load, and by Consequence to lessen our Trade ... even Trade itself seems to be turning Bankrupt, and sinks under the insupportable Weight of innumerable Taxes." Several branches of trade were now loaded with taxes to supply the interest charges on the money already borrowed from the investor. When this begins to read ...

(1794) in *Journal of the House of Commons*, vol. XI, pp. 73-81.
 12. *ibid.* (1794) pp. 73-75.
 13. *ibid.* (1794) pp. 73-75.

like a plea for freer trade, Defoe characteristically adds at the end a query whether the East India trade "be worth our supporting or no?" (90) He could often see the need for imports unless his outlook was distorted by a visible threat to home manufactures, particularly of woollen textiles.

Even the principle that taxes should only be imposed on "superfluities" could be carried to extremes. Luxuries should be taxed more than, or before, necessaries but some former luxuries had become necessaries and if the war continued both must be taxed. Only taxes with a regular and adequate yield were suitable to provide funds for loans, such as the land tax and the window tax "upon the solid Estates of our People", taxes on common commodities such as salt, malt, coal, candles and leather and excises upon liquor. He compared taxing a nation with a physician bleeding a patient who must know which vein to bleed and how much blood to draw, but a nation could bleed to death "in the Trade-Vein as in the Land-Vein." (91) If our Superfluous Expence is become Necessary by the Accident of Trade, then, in laying Taxes, we are no more to Load and Oppress our Superfluities beyond their Ability to pay, than we are any other Thing." (92) As the chief food staples such as corn, bread, meat and fish and home manufactures of household stuff and wearing apparel, with the sole exception of leather, had not yet been taxed, the superfluities were "almost our whole Foreign Importation." Those items which seemed most necessary such as

90. Review, Vol. VIII, (No. 182) pp. 730-732. Cf. The Marquis of Halifax's views on the excise in "An Essay upon Taxes ... (1693) in Somers Tracts, Vol. XI, pp. 73-81.

91. Ibid, (No. 183) pp. 733-735.

92. Ibid, (No. 184) p. 740.

sugar, oil, saltpetre and dyeing materials, carried the smallest duties and even the duties on French wines and brandy, East India goods and wrought silks could not well be increased. The increase in the duty on pepper from 6d. per pound to 1s. 6d. had so reduced the importation that the former duty probably raised as much money as the new charge. Because of smuggling, pepper could be bought cheaper by 1s. per pound "upon all the Sea-Coast of Britain" than in London. The doubling of the price of coffee had produced a similar check to the consumption. Any further taxing of luxuries would ruin the importation and his conclusion was a typical paradoxical maxim, "tho' Superfluties are not Necessaries in themselves, yet our Trade in Superfluties is a Necessity to be preserv'd." (93)

These observations were used to reinforce his conviction that trade carried an undue burden in comparison with land. "Neglecting of Trade, and Overburthening of Trade" had always been "the two Trading Sins of this Nation." As for those "who think Trade never burthen'd enough, (they) may see how their Politicks tend, not only to the Ruin of Trade, but to the bringing of all Taxes home upon the Land at last." Two further maxims followed: "If our Trade were destroy'd."

"That what Trade cannot pay, the Land must: That to destroy Trade is not the Way to raise taxes from it." (94)

Earlier in the year, despite his dependence on Harley and support for his ministry, he had been quick to criticize the many errors which he detected in Swift's famous pamphlet against our allies in the war. In addition to the political errors,

93. Ibid, (No. 185) pp. 742-744.

94. Ibid, p. 742.

he attacked Swift for his small acquaintance with trade which he could have corrected by reading "Defoe's Reviews upon Trade." In particular, he seized on Swift's complaint that the burden of war debt was now so heavy that the land tax must be continued after the war, "that the Land must pay all the Nation's Debts." Defoe replied, "since Trade is ... loaded with all the Debts, which are now depending, and not a Penny of them paid by the Land, the infinite Sums of the Interest upon Usury is thereby paid from the Trading to the Landed Men; yet is this Nation, were Peace but once obtain'd, able even upon the Foot of Trade, without any Land-Tax at all, not only to support the Establishments and necessary Expence of the Nation, but gradually, and in a reasonable Time, to lessen the Load of Debt from the Publick ...

(95) He was always ready to enter the lists in defence of the men of trade against the landed interest, but he seems to have been peculiarly sensitive on this issue in 1711-13, possibly because of the strength of the extreme Tory October Club after their victory in the 1710 election: "And indeed it cannot be a little wonder'd at, to see the Landed Men in the Nation, value themselves so much, upon their running down our Trade, as if the Lands had no Dependence upon Trade, or that Lands cou'd hold up their Value, if our Trade were decay'd." He agreed that trade had not brought any acquisition of territory, but "Trade has added a new Value to what we had before; the Rents of Lands are risen in time to such a Degree, that was formerly worth 10 l. per Ann. is now worth 100 l. per Annum, and what has done this? What, but our Trade. Our General Commerce,

which had it been more effectually covered, encouraged and understood, would have been able to have done much more." (96) This paragraph from a letter which Defoe received from a moderate Dissenting minister in Lincolnshire shows the alarm amongst the Whigs in February 1713. The clergymen reported that letters from their friends in London informed them "that the Ministry design to compliment the freeholders and landed men by taking off the Land Tax entirely, and laying a settled and excessive load upon stock, and that a vast loan to the Queen is to be made upon that fund, the Ministry designing for their secret purposes to get all the money in the nation into their hands." (97). In the event, the Tory ministry halved the tax after the Treaty of Utrecht in April 1713 and thus added to their financial difficulties.

Although Defoe announced that trade and land were in a strict Confederacy in this War," he added that, speaking as a merchant, trade was overloaded by the existing taxation, especially Britain's foreign trade. (98) He was not unaware of the heavy burden of the land tax, for he agreed that in the midland and some southern counties the gentry had paid "the utmost Penny, nay, in some places 4s. 6d. per Pound," but he accepted the contemporary estimate that there were great inequalities in the incidence of this tax so that 4s. in the £ in England

96. An Enquiry into the Danger and Consequences of a War with the Dutch ... (1712) pp. 31, 43-44.

97. Hist. MSS. Comm. (Portland), V, pp. 266-267.

98. Review, Vol. VIII, (No. 188) p. 753.

was "a Lion's Face upon an Ass's Head." (99) "But how do the Gentlemen of TWO Thirds of England smile at us, or laugh in their Sleeves ... when they ... know very well that it has not cost some of them sixteen pence per Pound and others not a Shilling in the Pound and where it has come highest is not one with another above 2s. 4d. per Pound." Had the tax been collected as it should have been, it would have raised £4 million instead of £2 million, "the Debt of the Nation had been less by above Twenty Millions than now it is, and yet the Landed Men had paid no more than they now pretend to have paid."

Admitting that some landed gentry had contributed a fifth part of their annual incomes to the war, he yet thought that there was a "terrible Inequality" in the weight of taxation upon the poor compared with the rich:

"When Land is Tax'd, the Rich pay more than the Poor; but when the Product of Land is tax'd, the Poor pay more than the Rich ... the Rich pay for their Land because they have it; the Poor pay for their daily Necessaries, because they have them not ... the rich Man eats no more Food, burns no more Coals etc than a poor Man; nay, if he is a trading Man ... perhaps not so much: A Tax upon Provisions, then, is equal, literally speaking, to the Poor, as to the Rich, but very unequal, in Proportion to their Capacity of paying it.

A Tax in England upon the Necessities of Life, is something like the Taille in France, which no Gentleman is to pay; ... (but) the Taille is in France, where the Poor are to be Poor and the Common People are Slaves ... But this is in England, where we pretend to value our selves upon making the Common People Easy, Free, and their Lives comfortable; ..."

Defoe meant by the poor the "Oppress'd labouring and Trading

99. An Essay at removing National Prejudices, Part II (1706) p. 14. See W.R. Ward, op. cit., pp. 6-10, 18-24. H.J. Habakkuk, "English Landonwership, 1680-1740," Econ. Hist. Rev. Vol. X, pp. 9-11 concluded that the assessment was accurate in Northamptonshire and Bedford where the gentry did pay one-fifth of their income and where the tax helped to reduce their numbers.

had yet fought and possibly a relatively heavier load than the Seven Year's War. (101) During the years 1711 to 1713, much of Defoe's writing was affected by this clash between land and trade. Geoffrey Holmes and W.A. Speck have shown that after all the necessary qualifications have been made about the cross currents which prevented either party from being a homogeneous group, the struggle between the Whigs and the Tories during Anne's reign reflected social prejudices and economic pressures which, while they were temporary, were nevertheless very marked. (102) Defoe was in the anomalous position of serving a Tory ministry which was under strong pressure from its extremist supporters to redress the balance between land and trade, when his own bias was always towards the trading interests in British society.

The rising level of prices was a further factor in his calculations of the burden on the tradesman at the end of the long war with France. He argued that it was "a most preposterous Thing" to say that the poor had not paid a tax upon corn in view of the several increases in the price since 1688, which had happened more frequently in those twenty-five years than in a hundred years before. Corn had scarcely ever been at "the moderate middling Rate" of 4s. per bushel two years together since 1690 so that the war could justly be said "to have been one continued Tax upon Corn" as it made no difference to the customer whether the rise was occasioned by a duty "or by

101. J.G. Sperling, op. cit., points out on p. vi that Britain was much increased in wealth and population by the time of the Seven Years War.

102. G. Holmes, British Politics in the Age of Anne (1967) ch. 5; G. Holmes (editor), Britain after the Glorious Revolution, 1689-1714 (1969) ch. 6, W.A. Speck "Conflict in Society".

accidental raising the Price at the Market." (103) He considered that middlemen were particularly active in the corn trade and that they were partly responsible for the increase, (104) but in the early years of the Spanish Succession War corn prices were, in fact, well below his middling rate. (105) On the other hand, Mrs Schumpeter showed that the general price rise was especially severe when there was a large unfunded debt together with heavy borrowing relative to taxation and this conjunction occurred twice in Defoe's twenty-five period, in 1695-97 and in 1709-11. (106) These factors, coupled with the bad harvest of 1709, sent the price of corn to 10s. a bushel, but it was down below 4s. in 1712 and although it reached 6s. in 1713 this was the highest figure until 1728.

In March 1713 Defoe warned his readers of the danger that a future arbitrary ruler might follow the example of Charles II and stop the payment of interest on the various funds and yet continue to collect the several duties which were appropriated for these interest payments on the loans. He would then have a revenue of £7 million a year "to Enable him to Rule by a Standing-Army, forget Parliaments and Ruin the Nation," an "unhappy Consequence" of the increase in government borrowing caused by the war. The only remedies were to try to reduce the debt and to secure an Act by which the payment of the duties should cease whenever any such stop of the interest was made. (107)

103. Fair Payment No Sponge, pp. 8-9.

104. Infra, pp. 968-970

105. S. Ashton, An Economic History of England: The 18th Century (1955), p. 239. Table I, quoting the Cambridge prices of Thorold Rogers, e.g. 1704 and 1707, 24s. per bushel

106. Review of Economic Statistics, Vol. 20 (1938) pp. 20-32, "English Prices and Government Finance 1660-1822".

107. Review, Vol. IX (No. 65) pp. 129-130.

For these reasons he was a strong supporter of Walpole's conversion operations of 1717, actually carried into effect by Stanhope after Walpole's resignation from the ministry. Defoe, however, had also made his peace with the Whigs and was now serving the ministry by moderating the views expressed in the chief Tory newspaper, "Mist's Weekly Journal" and in others such as "Dormer's News-Letter" and "Mercurius Politicus". (108)

Despite his earlier comments that the annuities were an "Absolute Bargain and Sale" and could not be redeemed without infringing property rights, he had become convinced that the burden of government debt was now such that this view must be repudiated. As far as one can be certain of Defoe's beliefs, this seems to have been a genuine change of opinion. He compared the position of a labouring family in the reign of Charles II with their situation in 1717:

"... when Bread-Corn was not known for many Years to be above 3s. 6d. to 4s. per Bushel, and the Name of Taxes, other than Excise and Chimney-Money was hardly known; and that Excise also not above one Third of what it is now; ... when Bread Corn is seldom under six Shillings per Bushel, ... the Excise treble, every thing both for Eating and many for Wearing doubled by Taxes, Customs etc. and yet the Manufactures he makes are not at all advanc'd in Price, but rather cheaper than ever; nay even many of the Materials of his Manufactures themselves doubled ... as Oyl in particular to the Clothier, Silk to the Silk Manufacturer ... Add to these ... five shillings per Chaldron upon their Coals at least, a Penny on a full Pot of Strong Beer if they buy it, 4s. a Quarter upon Malt if they Brew their own Beer; a Penny a Pound on their Candles and on their Soap, 5s. and 8d. per Bushel for their Salt, and threepence Half-penny per Pound for their Leather, besides Customs doubled and trebled upon the Linnen, Callicoes, etc. ... As for Wine, Spice, Coffee, Tea, Chocolate, I will suppose them to be all plac'd out of the reach of thousands of the poor Families I speak of ... Have not some part of these

things been laid on 4, others 6, 8, 9, 10, 15, & XIV.
 nay 20 Years? ... If Cordials are not to be
 administered, when the Patient is fainting and
 swooning before you, when shall it be thought a
 good Season for it!"

Whatever the claims of the annuity-holders, they could not be compared with the affliction of "the greatest Burthen of Taxes that ever the Nation groan'd under," taxes which were "entail'd to them and their Posterity." (109) Whereas measures could be taken against other dangers, this was the worst of all circumstances and threatened to devour the state like a wild beast. It was vain to talk of the liberties and privileges of a nation which was "in Slavery to Creditors, and chain'd to the miserable Consequences of an insupportable Debt." This debt was also a threat to public security for it caused the nation to be "bound Hand and Foot, a Prey to every beggarly desperate Invader." He argued that otherwise Britain need fear no invasion from abroad and reminded his readers of the shock which the Pretender's sortie in 1708 gave to public credit. As for the constitutional issue, no Parliament could bind its successors. Laws in Britain were "only Precedents recommended to Posterity for their Government." Therefore, a Parliament could repeal any financial provisions made by a previous Parliament and "an unredeemable Fund" was as unreasonable as "an unrepealable Law." He pointed to the startling progress of the French in reducing their public debt by more than 1200 million so that France was now "the best circumstanc'd Nation in Europe" and far more likely to prove too powerful for her neighbours

109. "More branches of duties were imposed between 1702 and 1714 than had been levied during the preceding three reigns together", E.E. Hoon, The Organization of the English Customs System 1696-1786 (New York 1938) p. 26.

than she was by the "encroaching Ambition" of Louis XIV. Expressing surprise that the opportunity had been missed to reduce the 6 per cent rate on the annuities when the legal maximum rate of interest had been reduced to 5 per cent, he insisted that the holders would have had no valid argument against such a step as they would have complained loudly if the maximum rate had been raised to 10 per cent and their interest had remained at 6 per cent. But money was "now flowing in private Hands" to such an extent that a further reduction in the legal rate of interest was required, for the Bank and the East India Company could raise whatever sums they needed daily at 3 and 4 per cent. "Foreigners pour in their Money upon us, and lend us Money at 5 per Cent. and buy our Funds at 6 per Cent. Interest, with Money which ... at home, they pay but 2 and a half or three per Cent for; so that we are made to pay Interest to all the Usurers of Europe."

Defoe claimed that a reduction in the general rate of interest was always regarded as desirable although it was "an arbitrary Invasion of every Man's Property" and particularly grievous to those on small fixed incomes, "especially ancient People, who have nothing left them to subsist upon, but the Interest of a little Money, plac'd out by the Parents, or Husbands, who left it them". Yet it was "so uncontested a Good to the Nation in general, and so eminent a Proof of the Prosperity of the Publick, that, generally speaking, no body opposes or repines at it." (110) Throughout this pamphlet,

his remarks suggest that he accepted the principle that any reduction in the legal maximum should follow a fall in the market rate of interest and was an index of economic progress in opposition to Child, Coke and other seventeenth-century writers who argued that a reduction in the legal maximum rate would initiate prosperity. (111) Thus "Lowering the Interest of Money is a Justice due to Trade, and is judg'd a Credit to the Nation when it can be done, as the just Consequence of Wealth and Plenty." The advantages were that it prompted men "to launch into Trade" and put "Men of Capital Stocks upon noble Adventures, useful Discoveries, extending Trade to the remotest Parts of the World, ... All which Men have no Thoughts of, while they can sit still at Home, and make exorbitant Incomes by the bare Use of their Money." Government demands for money because of a sudden emergency could be met upon easier terms without "constantly charging the landed Men" who had already paid so much. Finally, the nation would be freed from "Bondage to Usury" whereby they paid, in the case of the long annuities of 99 years, "sixty Millions Interest to discharge a Debt of ten Millions Principal." (112)

In March 1717, Defoe gave further backing to Walpole's conversion plan and sinking fund scheme in the Tory journal "Mercurius Politicus" which he was now editing, in the Whig interest. To make the idea of a reduction of the interest rate on the annuities more acceptable, he quoted extensively

111. G.S.L. Tucker, Progress and Profits in British Economic Thought 1650-1850, (Cambridge 1960) ch. II. Sir J. Child, A New Discourse of Trade.

112. Fair Payment No Sponge, pp. 45, 49-50.

from Paterson's "An Enquiry into the State of the Union of Great Britain, and the past and present State of the Trade and publick Revenues thereof, with Schemes for the speedy Payment of the Debts, ..." which appeared "to Couch the Subject among other Things." He claimed that the pamphlet would have attracted less attention but for the fact that the author was notorious for "Miscarrying Projects, such as the Land Bank in England, the Darien Project and others" and added that it was believed to have been officially inspired "by a Great Person who sits in Publick pretty near the Head of these Matters," namely Walpole. (113) He proceeded, however, to quote the whole of another conversion scheme, possibly also by Paterson, which outlined "A Method to reduce by Degrees the Heavy and Insupportable Burthen of the National Debts". The author divided the government debts into four categories and proposed that they should be paid off by national bills at varying rates of interest. The annual interest charge would be reduced from £3,500,000 to £1,725,000 and that the amount saved, together with the taxes on land and malt, would provide for any war and the nation would "stand in no further need of Credit." Therefore, in peace time, the whole or a part of this sum could be used to reduce the outstanding debt. The maximum rate of interest was to be reduced to 4 per cent. In answering the charge of a breach of public faith with the creditors, the writer declared "publick Faith is what the Legislative Power thinks fit to make it, and the same Power, that on the pressing Necessities of the State thought fit to establish such large Interests, may, and ought, on the like pressing Necessities of the State reduce them

in such manner as shall best consist with the publick Security."

(114) Observing that "two Notable things" in the pamphlet seemed "a little Heathenish" to many people, that public credit was what the people thought fit to make it and that there would be no future need for a national debt if the scheme were adopted, Defoe at first commented that he would make no observations on "these two most Politick upright Maxims" but soon proceeded to discuss the first principle in the light of his own views in "Fair Payment No Spunge" from which he also quoted. Refining the writer's viewpoint, he advanced his own interpretation of this maxim as presented in his own pamphlet:

"The Author of the other Pamphlet ... handles it another way; He takes Parliamentary Credit into pieces, and divides it: He says, 'tis one part of Parliamentary Credit to keep Faith and Trust with the People they Represent, as well as with the People they borrow Money of; That 'tis one part of the Great Trust reposed in them by the People, That they shall not be unequally Burthened, that every one shall bear the weight of Taxes and Loads, in proportion equally to their Strength, and that this Equality is broken in the present Taxes, in the Loans of Money, taking 6 or 7 per Cent. Interest from the People, while the People are allowed to take 5 per Cent. from one another; That one part of the Nation shall have their Estates tax'd, and not another: And he argues from hence, that the present Taxes and Interests being unequal, Parliamentary Credit is engaged to reduce them." (115)

No Act of Parliament could cancel the debt itself, but debt and usury as "the worst sort of Bondage" were "a Breach of

114. I have not been able to trace this pamphlet but Boyer also reproduced it in the March 1717 issue of his Political State, Vol. XIII, pp. 303-308 and said that it had been published as "A Letter to a Member of Parliament concerning the Publick Debts" dated February 25, 1716/1717.
115. Mercurius Politicus March 1717, p. 147. This is not a quotation from "Fair Payment No Spunge" but an interesting summary of Defoe's viewpoint in that pamphlet.

Natural Liberty of the Subject" which it was the duty of Parliament to preserve. The inflexible attitude of those creditors who insisted that their high rate of interest must be paid throughout the full 99 years and that they could not be obliged to accept a repayment of the principal caused Defoe to advance the argument that "a Sanction of Unalterable" had been given to the Acts which established the long annuities which "neither the Nature of the Acts, or the Usage of Parliaments would allow" and that these funds were also redeemable by Parliament although these three words did not appear in the Acts. Indeed, Walpole's proposals offered the prospect that the nation might be completely free from both debt and taxes "in about Ten Years time." (116). A complete reduction of the market rate of interest would not have done much good. Sixteen months after Walpole's resignation, he voiced his disappointment that this reduction in the debt had not followed, his remarks being prompted by an address in the "Daily Courant" of 8th August, 1718, which had urged vigorous action against Spain and had claimed that Britain could support a war for seven years "without oppressing Trade or the Poor." In the familiar guise of a fictitious correspondent, he countered that it was necessary that the people should see their "present nakedness" instead of entertaining false hopes of an end to heavy taxation and he appended "A State of the National Debts" compiled by Archibald Hutchinson, "a worthy Patriot" who had tried five times during the past fifteen months to persuade Parliament to take effective measures to reduce the debt. At a time when France and Holland were "licking themselves whole,"

116. Ibid, pp. 148-149, 173. Cf. The Conduct of Robert Walpole, Esq., (1717) pp. 30, 55-65, another tribute by Defoe to the merits and necessity of Walpole's conversion scheme.

the sinking fund had proved "a meer bagatelle" in comparison with the load of debt which encumbered the nation and had "vanish'd into smoke." Since the Revolution those who had not enjoyed "the blessings of Pensions and Preferment must have Sold or Mortgag'd most part of their Estates," while "private Persons and Foreigners" had acquir'd such large estates "as not only to top the ancient Gentry but vie with the prime Nobility. But Britain was now in no danger of losing her religion or her liberty and, rather than plunge the nation in "a new and greater expence," the wisest course would be "to repurchase the absolute terms." Otherwise, what the nation "intended only as a Mortgage" was in fact "an absolute Sale" and Britain had "become a Slave to Corporations of her own creating." A compulsory redemption at the market rate of interest would not break the public faith and "would so disincumber the Revenues of the Crown, as, to make it a full Support of the Government in times of Peace, without the help either of a Land or Malt Tax. Then we should only lay under a necessity of always raising the Supplies even in War time, within the Year: Which had we done in the beginning of the Revolution, we had now been out of Debt, and sav'd a great part of above 70 Millions more, which we have actually paid; and our Trade would have Flourish'd into the bargain." He also recommended paying off the foreign creditors because they did not spend their income from the funds here. Finally, a reduction in the debt would be a better guarantee of internal order than an army of 3000 men for it would "salve the Discontents of the People." In modifying its opinions in the Whig interest, Defoe was careful to preserve the Tory character of the "Mercurius Politicus," but discounting some very few con-

cessions to the prejudices of his readers, he was remarkably consistent in his writings about the debt. (117)

It was, however, the capital withdrawn from trade by investment in the funds, together with the dismal prospect of a heavy load of debt for the rest of the century, that constituted his most serious misgivings about the structure of public credit which had been built up by Halifax, Godolphin and Lowndes. He had amply demonstrated its contribution to the defeat of the formidable power of France, but the funds were so closely linked with stock jobbing that he could never give them his wholehearted approval. In December 1712, he exclaimed "Fund, Stocks, Usury, Jobbing, are your Darlings now; these, I say, are but the Bastards of Trade, the spurious degenerate Offspring of your Trading People; nay I might more properly say, they are Vermine and Insects, gender'd from the Decay of your Commerce, as your Food breeds Worms when it is stale, or as Wine ferments into Acids by its own Corruption." His explanation of the appearance of this phenomenon was that trade suffered so much at the beginning of the war that revenue from both customs and excise duties declined and large loans of money had to be obtained by the offer of lottery prizes and by establishing funds of interest. As a result "a new Phantasm rises up in the room of our general Commerce, call'd Stocking or Jobbing; this Ignis fatuus is now staring us so full in the Eyes, that we grow blind with the Delusion, mistake it for Trade, call the Gain made of it a Prosperity to the Nation, and would set it among the Glories of our Commerce; thus we are led into the Ditch by a Will-with-

a-whisp, and shall be drown'd in the Poverty of our own seeking." To support his claim that not one penny had been gained to the nation "by all the Stock-Jobbing Trade since the late Revolution," he used the following illustration.

"Ten Gentlemen sit down to play; ... A wins 100 Guineas; B wins 1000 Guineas, C wins 200 Guineas and the like; here is a great deal of Money gain'd by these particular Men, but there is not a Shilling more or less among the whole ten Gentlemen in the Company, than there was when they came together; the plain matter is this, what A, B, C won, D, E, and F lost, ... Take the General Stock of the Nation, and consider its Riches as the Wealth of the whole Body, and all your getting and losing by Funds and Stocks, is no more than a Man's playing at Cards with his own Wife, which is just putting his Hand in one Pocket, and taking his own Money to put it into the other Pocket, ..." (118)

Every increase in trade, however, was a real gain to the nation. "Every Quarter of Corn exported, more than we can expend at Home, is so much as the Corn sells for, clear Gain to the Publick Stock; excepting only the Provisions and Expence spent in managing the Land it grew on and of bringing it from the Ear to the Ship." Therefore, the funds were actually "a Drawing from Trade, not an Encrease of Trade." (119) He also drew a parallel between the increase of bankruptcy among traders and "an Encrease of those Employments which serve to Bankrupt our whole Trade." The attraction of the funds had produced "a Decay of Personal and Paper Credit, an excessive want of ready Money in Trade, and a lessening Trade it self, in proportion." High duties had compelled importers to resort to "Usurers and Bankers, to discount their Bills and Securities, and perhaps pledge their

Cellars and Warehouses" at excessive discounts. They had also

118. Review, Vol. IX (No. 39) pp. 77-78.

119. Ibid, (No. 59) p. 117.

120. Ibid, Vol. IX (No. 40) p. 100.

been forced to have more stock (capital) to carry on less trade and consequently had been unable to offer as much credit to the wholesale dealers. This had "run them into that fatal Method, Fatal to Trade it self, as well as to the Merchant, of giving Bonds at the Custom-House, and bringing Men to be Bound one for another," by which many flourishing merchants had been ruined. (120) Lastly, he likened stock-jobbing to "a Meteor or Comet in Trade" which, he thought, lasted "for a short time only." Although it made "a large Blaze," it was "a Plague upon our Trade, and must, at last, expire with the Funds that created it." (121) Holding these views, he was surprised to find, a month before the Treaty of Utrecht was signed, that the prices of stocks were rising, especially since the Whigs had attacked the peace terms as dangerous and unsound and soon liable to be broken by the French. "That in the nature and reason of Trade, Peace ought to expatiate the Money and employ it, and Trade encreasing, ought so to revive Personal Credit, that there being no new Advantages to make from the Government, the Rate of those already Established, and which will be daily wearing out, should rather lessen, than encrease the Rates of your Banks, and great Collections of Cash ... because it might be expected and hoped, That in Trade, Men might find ways to improve immense Sums to a larger degree of Profit, than any Bank, or Company's Stock in the Nation could do." His explanation was that the interest paid to the fundholders was a stimulus to further investment in

120. In the Review of September 6, 1711, (Vol. VIII, No. 71, pp. 285-287) in order to prevent honest substantial merchant being ruined by the bankruptcy of a bondsman, he had proposed the setting up of bonded warehouses by the government, especially for goods such as tobacco, which were usually re-exported.

121. *Ibid.*, Vol. IX (No. 52) p. 104.

the funds. A third of the six millions of money paid each year in interest, "comes, as we may say, to Market again, to buy in the same Stocks and Funds, as fast as Trade, or any other Emergence can be supposed to sell them off: For this reason there will always be a Glut of Money at hand, to buy every publick Security up that pays Interest; and every thing that will pay above 5 per Cent Interest must keep up its Price; and this is the best Account I can give of the Case." (122)

It is true that this particular issue was one of the final rounds in the propaganda battle against the Whigs for their opposition to the peace terms, but, as usual with Defoe, the underlying conviction shows through the polemical covering.

As for the accuracy of Defoe's view, Professor Davies has shown that in the single case of the Royal African Company, the main flow of capital was from other overseas trades such as the Baltic and the Levant, in which profits might have been made, into one where the ultimate loss was almost complete. A marked feature of this company's finance was the attraction to the investor of its fixed interest bonds redeemable at par which enabled it to avoid the issue of new share capital. (123) These bonds would form a late 17th century equivalent of the government funds after 1700. Geoffrey Holmes considers that "a vast amount of both private and corporate wealth" was diverted from "the risky field of overseas trade" into "the more alluring channels" of the funds and he quotes the 1702 M.P. who complained

122. Ibid., (No. 70) p. 139

123. K.G. Davies, "Joint-Stock Investment in the later 17th century" Econ. Hist. Rev. 2nd. series, Vol. IV (1952), pp. 283-289.

that merchants found "a better return between the Exchequer and the Exchange" than "by running a hazard to the Indies." (125) P.G.M. Dickson has observed that once the government had demonstrated its competence and good faith, its funds were so much more attractive than the few other outlets for private savings that it had "a virtually monopoly position as a long-term borrower until well into the second half of the eighteenth century." (126)

125. G. Holmes, British Politics in the Age of Anne, pp. 154-155. Rodl. MS. Carte 117, 177: "The Speech of an Honourable Member of the House of Commons upon the Debate of the Malt Tax."
126. P.G.M. Dickson, The Financial Revolution in England, p. 301. On p. 79 he also agrees that the funds were "a considerable discouragement to foreign trade."

STOCK-JOBING, THE MISSISSIPPI COMPANY
AND THE SOUTH SEA BUBBLE

In spite of his constant support for public securities established by Parliament, Defoe could never rid himself of his aversion to speculation in these funds for his strong condemnation of any form of stock-jobbing appeared early in his career as a writer. Like the "Person of Honour" who wrote 'Angliae Tutamen' he commended certain projects in that prolific last decade of the seventeenth century which he dubbed "the Projecting Age", (1) especially plans to produce in England goods, such as white paper, formerly imported from France. Both writers, however, attacked the financial frauds which they claimed were so frequently associated with the new ventures. Defoe ascribed the great increase in the number of these schemes to the initial damage to trade by French privateers in the Nine Years' War which made many merchants desperate to retrieve their fortunes. (2) Similarly, his anonymous contemporary suggested that the projects had been produced by the poverty which the war had begat. So sanguine were "the Fancies of Credulous People" of the great profits to be gained from some new proposal "that meerly on the shadow of Expectation, they have form'd Companies, chose Committees, appointed Officers, Shares, and Books, rais'd great Stocks, and cri'd up an empty Notion to that degree, that People have been betray'd to part with their Money for Shares in a New-Nothing; and when the Inventors have carri'd on the Jest till they have sold all their own Interest, they leave the Cloud to vanish of it self, ..." (3) Defoe claimed that he had seen

1. An Essay upon Projects, p. 1; C. Wilson, England's Apprenticeship (1965), p. 187 - patents of invention granted in this last decade, 102; almost as many as the 104 granted in the previous twenty years.
2. An Essay upon Projects, pp. 5-6.
3. Angliae Tutamen (1695) p. 22.

"Shares in Joint Stocks, Patents, Engines, and Undertakings, blown up by the air of great Words, and the Name of some Man of Credit concerned, to 100 l. for a 500th. Part, or Share, some more, and at last dwindle away, till it has been Stock-Jobb'd down to 10, 12, 9, 8 l. a Share, and at last no Buyer."

(4) The "Person of Honour" seized on the dubious practices of some mining companies which first pretending to have discovered a rich vein of gold, silver or copper, issued about 400 shares at a low rate of ten shillings or a pound to the first subscribers "then all on a sudden they whip up the Shares to Three, Five, Ten, nay Fifteen Pounds a Share; then they fall to Stock-jobbing, which infallibly ruins these, and all other Projects; those principally cosen'd, sell their Interest, draw off, and wholly quit the Affair, which ... falls to the Ground, and is abandon'd by every Body." He was also concerned that Englishmen should expend so much energy to cheat one another rather than the Dutch or the French and avowed that stock jobbing was "the certain Poison or Bane of all Projects." (5) To Defoe, dishonest projects and stock-jobbing were inextricably linked together and supported each other. Public joint stocks, together with the great overseas trading companies previously established, "begot a New Trade, which we call by a new Name, Stock-Jobbing, which was at first only the simple Occasional Transferring of Interest and Shares from one to another, as Persons alienated their Estates; but by the Industry of the Exchange Brokers, who got the business into their hands, it became a Trade; and one perhaps manag'd with the greatest Intrigue, Artifice, and Trick, that ever any thing that appear'd with a face of Honesty could be handl'd with; for while the Brokers held the Box, they made the whole Exchange the Gamesters, and rais'd and lower'd the Prices of Stocks as they pleas'd; and always had

4. An Essay upon Projects, pp. 11-13.
5. Angliae Tutamen pp. 18-19.

both Buyers and Sellers who stood ready innocently to commit their Money to the mercy of their Mercenary Tongues. This Upstart of a Trade having tasted the Sweetness of Success which generally attends a Novel Proposal, introduces the Illigitimate wandring Object I speak of, as a proper Engine to find Work for the Brokers. Thus Stock-Jobbing nurs'd Projecting, and Projecting in return has very diligently pimp'd for its Foster-parent, till both are arriv'd to be Publick Grievances; and indeed are now almost grown scandalous." (6)

It was in the nature of dishonest projects that they should be superficially attractive. "Substance is not always necessary to raise up a Brat of this spurious Birth," he observed. "Air will blow up a Bladder, and make it bound and dance till all the Boys in the Street got to make a Foot-ball of it, but with much footing and tossing about, the Sport grows dull, the Ball dirty and heavy, and at last returns to its original nothing, and so must all such Projects." (7)

In the first of his two pamphlets of 1701 on stock-jobbing, he warned his countrymen of the danger to the constitution of the extension of the arts of stock-jobbing into parliamentary elections and of the inevitable increase of corruption which would result from the struggle of the two East-India companies to strengthen their representation in the Commons. "For as this Stock-Jobbing in its own Nature, is only a new invented sort of Deceptio Visus, a Legerdemain in Trade, so mix'd with Trick and Cheat, that 'twou'd puzzle a good Logician to make it out by Syllogism: So nothing can be more Fatal in England to our present Constitution; and which in time may be so to our Liberty and Religion, than to have the Interests of Elections

6. An Essay upon Projects, pp. 29-30

7. Review, Vol. III (No. 126) pp. 501-502.

(1701) in Albion Collection, p. 175.

Jobb'd upon Exchange for Money, and Transferr'd, like East-India Stock, for those who bid most." It was frightening "to think that the Scandalous Mechanick Upstart Mistery of Job-broking should thus grow upon the Nation; that ever the English Nation shou'd suffer 'emselves to be Impos'd upon by the New invented ways of a few Needy Mercenaries, who can turn all Trade into a Lottery, and make the Exchange a Gaming Table:" Believing that stocks had an intrinsic value depending on their known capital and the (profitability of the enterprise, he was disturbed by the frequent fluctuations in the price of stocks which, he thought, were caused by deliberate artifice.

"That Six or Eight Men shall combine together, and by pretended Buying or Selling among themselves, raise or sink the Stock of the East India Company, to what extravagant pitch of Price they will, so to wheedle others sometimes to Buy, sometimes to Sell, as their occasions require; and with so little regard to Intrinsic Value, or the circumstances of the Company, that when the Company has a loss, Stock shall Rise; when a great Sale, or a Rich Ship arriv'd, it shall Fall: Sometimes run the Stock down to 85 l. other times up to a 150 l. and by this Method Buy and Sell so much, that 'tis thought there are few of the Noted Stock-jobbers, but what have bought and sold more Stock than both the Companies possess." (8)

In the second pamphlet he developed this attack on "this destructive Hydra; this new Corporation of Hell" complaining that during the last ten years the shares of the Old East-India Company "by the Arts of these unaccountable People," had, "without any Difference in the Intrinsic Value, been Sold from 300 l. per Cent to 37 l. per Cent. from whence, with Fluxes and Reflexes, as frequent as the Tides, it has been up at 150 l. per Cent again; during all which Differences, it would puzzle a very good Artist of the last Century, to search for the Cause." (1701)

8. "The Free-holders Plea against Stock-Jobbing Elections of Parliament-Men" (1701) in A True Collection, I, p. 178.

to prove, That their real Stock (if they have any) set loss and gain together, can have caried above 10 l. per Cent upon the whole; nor can any Reasons for the rise and fall of it be shown, but the Politick Management of the Stock-Jobbing Brokers; ..." (9) Defoe ignored the effects of war on the fortunes of the company. To the hazards of long voyages were added the depredations of French privateers with the result that in 1690 only two of the English ships reached home and no dividend could be paid. (10) Throughout his life he clung to this belief that the fluctuations from the basic value of each stock would be extremely small were it not for the speculative transactions of the stock market:

"Th' intrinsick Value of our Stocks
Is stated in their calculating Books;
Th' Imaginary Prizes rise and fall,
As they Command who toss the Ball;
Let 'em upon thy lofty Turrets stand,
With Bear-Skins on the Back, Debentures in the Hand,
And write in Capitals upon the Post,
That here they should remain,
'Till this AEnigma they explain,
How Stocks should fall when Sales surmount the Cost,
And rise again when Ships are lost." (11)

He contended that even the practitioners acknowledged that theirs was "a Trade founded in Fraud, born of Deceit, and nourished by Trick, Cheat, Wheedle, Forgeries, Falshoods, and all

9. "The Villainy of Stock Jobbers detected ..." (1701) Ibid, pp. 257-258.
 10. W.R. Scott, op. cit., II, p. 151.
 11. "A Hymn to the Pillory" (1703) in A Second Volume of the Writings, p. 108. Defoe was so pleased with this last couplet that he quoted it at least four times in the 'Review', Vol. III (No. 92) p. 366, Vol. VI (No. 75) p. 300, Vol. VIII (No. 56) p. 225, Vol. IX (No. 70) p. 139.
- A.H. John "Insurance Investment and the London Money Market of the 18th Century", Economica (New Series) XX (1953) pp. 137-158, attributes much of the contemporary condemnation of stock-jobbing to the very real inconvenience which the ordinary merchant suffered by the fluctuations in the price of stock (p. 139).

sorts of Delusions; Coining false News, ... whispering imaginary Terrors, Frights, Hopes, Expectations, and then preying upon the Weakness of those, whose Imaginations they have wrought upon." That "Original of Stock-Jobbing", Sir Josiah Child, who was said to have established a private express service from the south of Ireland to give prior news of the arrival of East India ships, was further alleged by Defoe to have arranged for false news to be sent from the East Indies to enable him to manipulate the market.

"Letters have been order'd, by private Management, to be written from the East-Indies, with an Account of the Loss of Ships which have been arriv'd there, and the Arrival of Ships lost; of War which (sic) the Great Mogul, when they have been in perfect Tranquility, and of Peace with the Great Mogul, when he has come down against the Factory of Bengale with One hundred thousand Men, just as it was thought proper to calculate these Rumours for the Raising and Falling of the Stock, ... It would be endless to give an Account of the Subtilties of that Capital Che-t, when he had a Design to Bite the whole Exchange: As he was the leading Hand to the Market, so he kept it in his Power to set the Price to all the Dealers. The Subject was then chiefly the East-India Stock, tho' there were other Stocks on foot too, ... every Man's Eye, when he came to Market, was upon the Brokers who acted for Sir Josiah. Does Sir Josiah Sell or Buy. If Sir Josiah had a Mind to buy, the first thing he did was to Commission his Brokers to look sower, shake their Heads, suggesting bad News from India; ... and perhaps they would actually sell Ten, perhaps TWENTY Thousand Pound; immediately the Exchange (for they were not then come to the Alley) was full of Sellers; no Body would buy a Shilling till perhaps the Stock would fall Six, Seven, Eight, Ten per Cent ... then the cunning Jobber had another Sett of Men employ'd on purpose to buy, but with Privacy and Caution, all the Stock they could lay their Hands on, 'till by selling TEN Thousand Pound, at Four or Five per Cent Cost, he would buy a HUNDRED Thousand Pound Stock, at Ten or Twelve per Cent under Price; and in a few Weeks by just the contrary Method, set them all a buying and then sell them their own Stock again at Ten or Twelve per Cent Profit."

Similarly Sir Henry Furnese, the great army contractor in William's and Marlborough's wars, "was able to maintain such a constant Intelligence in Holland, Flanders, Germany, Ireland etc. that he several times brought the King Accounts of Battles fought, ... before the swiftest Expresses of the King's own Servants and Gentlemen, could arrive" and this advance information also enabled him to amass "an immense sum of money." (12) Early in the Spanish Succession War, the "Bear-Skin Men" had been responsible for a false story that the French had taken St. Helena and fifteen East Indiamen in order to sink that leading stock, which "some Particular People were observ'd to buy very heartily." (13) Exchange-Alley was such a breeding ground of rumour that he likened it to "the meer common Buzz" of a great hive of hornets. (14) In a later issue of his 'Review' he asked, "Were not our Stock Jobbers born in Masquerade? And have they not Acted so ever since? Do they not put on a new Mask every Day as their Occasions for the Day require? Run down Stock when they want to buy, Invent Foreign News, Coin Millions of Shamms and Forgeries to make it rise when they want to Sell? - Let their Friend into the Secret (so they call drawing an Honest Man in to throw away his Money) when they have a Mind to Bubble him; and what is a Stock-Jobber but a Pick Pocket in Masquerade?" (15) He also compared stock jobbing to highway robbery, only that it was "ten Thousand times worse, more remorseless, more void of Humanity" and could be carried on without

12. The Anatomy of Exchange Alley (1719) pp. 3-4, 13-15, 17-18.

13. Review, Vol. I (No. 44) p. 191.

14. Ibid, Vol. IV (No. 50) p. 197.

15. Ibid, Vol. VIII (No. 20) p. 83. Cf. (Thomas Baston) Thoughts on Trade, and a Publick Spirit ... (1716) pp. 7-8, for the same charge.

danger. (16) ...
 ... Detestation of stock-jobbing even linked Defoe and Swift, for considerable differences in viewpoint separated them when they were the chief propagandists for Harley's peace negotiations with France. They both deplored the new terminology of the Alley, Swift complaining that the cunning of stock-jobbers had introduced "such a complication of knavery and cozenage, such a mystery of iniquity, and such an unintelligible jargon of terms to involve it in, as were never known in any other age or country of the world." (17) Defoe considered that the rival interests in the stock market produced "a new sort of Civil War" which was carried on "with worse Weapons than Swords and Musquets." These people were able to "ruin Men silently, undermine and impoverish by a sort of impenetrable Artifice, like Poison that works at Distance." They were able to "wheedle Men to ruin themselves, and Fiddle them out of their Money, by the strange unheard of Engines of Interests, Discounts, Transfers, Tallies, Debentures, Shares, Projects, and the Devil and all of Figures and hard Names." (18) But whereas Swift reflected the antagonism of the landed men towards this new interest which seemed to challenge their control of the levers of political power throughout the country, Defoe was most concerned about the fluctuations in the price of stocks which, in his opinion, were caused by gambling or by chicanery.

16. The Anatomy of Exchange Alley ... p. 8.
17. The Examiner, No. 13 of Nov. 2 1710 in The Prose Works of Jonathan Swift, edited H. Davies (Oxford 1940) Vol. III, pp. 6-7. See also Nos. 24, 37, 38, pp. 67, 134, 137.
18. "The Villainy of Stock-Jobbers Detected", A True Collection, I, p. 268.

He was particularly disturbed by the way in which he believed that the funds had been affected by stock-jobbing. Parliamentary security was such a firm foundation of public credit that the value of these stocks should be constant and proof against any sudden political alarm which did not actually endanger the constitution. By misunderstanding the true nature of public credit, investors fell into "the Snares of the Stock-Jobbers" and allowed themselves to be influenced by "a Knot of Men" whose aim was "meerly to Plunder us, by buying cheap from us, and selling dear to us the publick Funds; not as their Value really rises and falls, but as our Spirits sink or float, in the Imagination of the Transactions of Europe." Changes in the price of the funds, was "a meer piece of Politick Nonsense, an Artifice of Men of Craft." (19) It was ridiculous that men should be induced to overvalue or undervalue their own estates in the funds.

"... It is true, that Opinion is the Rate of Things, but this is a deceptio visus upon Reason; as Fancy is the Judge of Ornament so then Fear is the Guide of Credit; but all this is setting the World with the bottom upward, for all Things have some Intrinsic Value, for which they really ought to be Valuable, and by which they ought to be Rated - And not by Opinion; Reason and stated Rules are and ought to be the Judges of Ornaments, not unguided Fancy - No more ought Apprehensions to be the Guide of the publick Credit - ... 6 per Cent or 7 per Cent Establish'd on a fair and an Unquestion'd Fund, given by Parliament, absolutely appropriated, and convey'd in Property to the Subject, is 6 per Cent and 7 per Cent for ever (I mean during the Term) and can be of no less Value hereafter, than it was the first Day it was Establish'd - There is the Credit - This is real - all the rest is Whymisie, Apprehension, and meer Imagination, and is the Fruit of the Folly and Madness of the Times - ..."

Introducing an account of a fall in the price of stock because a stock-jobber who wished to buy went into a coffee house and

and said that he had been at Whitehall and did not "like Things", he proceeded,

"But, Gentlemen, will you call this Credit? Is the National Substance, on which your Estates are built, made up of this sort of Stuff? NO, NO, God forbid, for by the same Rule you may be blown up and blown down, till you are blown to... Old Harry, with every puff of Exchange-Alley Wind. ... These are no more Credit, than the Shell is the Fund, Kernel; if your Funds are good, and your Interest paid, Credit is entire; and it must be entire, or the Nation breaks, the Government dies, and the very Being of Parliament dissolves: It is not in this Case as it is in the common Reputation or Credit of a Tradesman, which often blows up, tho' the bottom may be good; nor is it as formerly, like the Credit of the Exchequer; Parliamentary Security is quite different from the Securities of private Persons, or of Encorporated Banks and Societies; Banks and Companies, Societies and Corporations, are PERSONAL Securities, the Parliament Funds are REAL Securities; these may break and blow up, as they have done, the Chamber of London, Mine Adventure Cheat; or they may Decay and Languish, as the African Company, ... but here the Security is deposited, and the Lender effectually possess'd of it; these are Bonds and Obligations, but this is a Mortgage; these are Trusts and Hazards, this is a Pawn or Pledge; ..." (20)

Three weeks later, when the South Sea project was experiencing initial difficulties, he tried to isolate the fall in the price of this stock from the general state of the public credit, despite the fact that many government creditors had exchanged their claims against the government for the new stock. Why, he queried, should this fall reduce the value of the funds as a whole by £500,000, "Why the South-Sea Trade, What Coherence has this with other Funds? Why must the Bank-Stock and the South-Sea Stock rise and fall Hand in Hand?" If the South-Sea scheme proved to be a complete failure, that would be no reason why Bank stock should be one shilling worse, or any fund upon

which the annuities were settled. Possibly he was already voicing his misgivings about the future trade of the company when he asked the investors "Why do ye perplex your own Affairs by confounding together the South-Sea-Trade, and the Fund of Interest payable to the Debts aforesaid, Transferr'd from the Navy, Victualling, Ordinance, etc... Your Debts have a Fund, or they have none; they have six per Cent. Interest upon them, or they have not - This 6 per Cent is paid to most of you who bought the Debt at 30 to 40 per Cent Discount, so that you have 8 per Cent for your Money. What is the Ground then of all this Fright?"(21) Even if the project miscarried, they could only lose ten per cent of their claims against the government, the additional amount which the company was authorized to levy upon the subscribers, and did not justify a drop of 30 to 40 per cent in the value of their stock at this juncture. A fall in the price of the government stocks did not represent a fall in the public credit. He admitted that "the borrowing Money on publick Funds of Interest, Establish'd by Parliament" was properly called public credit, "But the People buying and selling, alienating and transferring their Interest in these Funds and Loans, is no part of the publick Credit at all." Otherwise "the Government and the publick Credit" were "absolutely a Slave to the Arbitrary Government of the Stock-Jobbers, and they might Jobb the Nation as they please;..." (22) Admittedly, Defoe was doing his utmost to strengthen the financial standing of Harley's administration but his arguments reveal his firm belief in the intrinsic

21. Ibid., (No. 68) pp. 274-275.

22. Ibid., (No. 70) pp. 281-282.

value of the funded debts. It must also be remembered that no general theory of economics had yet been evolved, so that it was easier for Defoe to believe that this intrinsic value was quite unaffected by speculative dealings in these securities. This conviction was also the basis of his doctrine that government credit should be independent of invasion scares or of any deterioration in Britain's relations with other European powers. He claimed that the prices of stocks fell more on bad news than they rose on good... A report of a Jacobite landing in Scotland in 1719 caused a fall of two per cent, whereas the news that the rest of the Spanish ships were driven back by storms did not produce a like recovery. He concluded that the stock-jobbers "choose rather to do Evil than to do Good, that they sink faster than they rise, and are willing to do Harm than Good to the Government", and that the latter should root them out rather than try to preserve them. (23) In the year of Malplaquet he alleged that it was more in the power of the speculators to ruin Britain than if Villars had defeated Marlborough and that if they ever came to control credit, "we must make Peace or carry on the War, just as the Fate of the Kingdom stands in Exchange Alley." (24)

The previous December had produced his most bitter denunciation of stock-jobbing and wagering. In marked contrast with the contribution of the improving artist to the increase of manufacture and thus of employment, (25) he asked,

23. The Anatomy of Exchange Alley, p. 64.

24. Review, Vol. VI (No. 30) p. 118. Cf. Vol. VI (No. 75) pp. 299-300.

25. Supra, pp. 97, 100.

"But for Stock-jobbing and Wagering, who do them employ, what Manufacture do they improve, what Encouragement have they been to Trade. what do they export or import? Knavery excepted, we see nothing they deal in; they are ever sharpening, tricking, and circumventing one another, ... This is their stated Practice, secret Methods to raise or sink Stocks, secret Contrivances to cheque the publick Credit, and advance Discounts of Tallies, making the Government pay the Interests of their own Money - Again, raising imaginary Reputation to Projects, and glossing up corrupt Foundations to build sham Credit upon, in order to buy and sell Emptiness, and this for their Neighbours' Estates - - Let any Man stand up, and tell us what publick Benefit the Stock-jobbing Trade ever brought to this Nation; ... all the vain Elevation, which any Stock receiv'd from them, have sunk in Loss and Fraud, ... In Trade, in Manufactures, in Exports and Import, tho' private Persons may lose and Families meet with Misfortunes, yet the general Stock is encreas'd; every Pound Value exported of the Growth of the Country, or of the Labour of the Poor, is a clear Gain to the publick Wealth of the Nation, whether the Exporter gain by his Voyage or no; ... but ... was ever the publick Stock of the Nation one Farthing the richer, for all their Jobbing of Stocks, Tallies and Shares in Funds, for all their Wagers and State Insurances? No, not one Farthing; they have raised imaginary Values of Things indeed, and sold that for Hundreds, that was not worth Half-pence, but never were able to raise the real Value of any thing one Shilling in the World.

By innumerable Frauds they rais'd the Prices of the several Stocks, Linen Manufacture to 250 l. per Cent. Paper to 350 l. per Cent. Hudsons-Bay to above 400 l. African Company to 420 l. a Share, Salt Peter to 90 l. a Share, and the like - And under these Delusions, infinite Shams and Frauds were put upon innocent Men, who purchased Air with Metal, Noise with Money, and worse than Dross with Gold - While these Things remain'd, the publick Stock seem'd rais'd in Value; but ... while there was no Intrinsick Value, there could be no Encrease of the general Stock, ... Now this Encrease being all imaginary, the Publick was not one Farthing the richer; what one got, another lost ... And as you were is the Word; the publick Stock lies just where you found it, with this only Disaster, that a great many honest industrious Men have been impoverished, and sharpening, tricking, Knaves enrich'd; and that this is the publick Good, I will wait to be convinc'd ... Where are now our Linen Shares, our Paper Stock, our Salt Peter Works? Are they not sunk into their first Principle of Non-Entity, from whence they began? Are not our African Stock from 420 l. fallen to 6 l. 10s. or less for a fourth Part,

or 26 l. a whole hundred, our Hudsons Bay to no stated Purchase, and the like? And what is the Consequence? ... except that these Gentlemen have fill'd our Gazetts with Bankrupts, our Jails with Prisoners, and our Streets with the Cries of ruin'd Families." (26)

It was the fraudulent character of the Mine Adventurers Company, rather than his previous clashes with Sir Humphrey Mackworth, which seems to have provoked Defoe's attack on this dubious enterprise. (27) As early as April 30, 1706, he suggested that there was little prospect that the company would extract silver in worthwhile quantities, yet the published papers did not show any proper accounts for the mining of lead, which, he thought, was their chief business. He estimated the costs of this at £8 a ton, which would make the probable profits

26. Review, Vol. V (No. 107) pp. 426-427.

27. As a Whig Dissenter, it is possible that Defoe felt a natural antipathy towards the High Church Tory, Mackworth, and it was almost inevitable that they should be on opposite sides in more than one controversy. Their first difference was in 1701 when Defoe was the champion of the freeholders of Kent and the author of the famous Legion pamphlets which proclaimed the right of the freeholders to petition the House of Commons on important public issues and Mackworth published his 'Vindication of the Rights of the Commons of England' (Somers Tracts, Vol. XI, pp. 276-315). Defoe next wrote his 'Peace without Union' (1703) in reply to Mackworth's attempts to justify the first Occasional Conformity Bill in his 'Peace at Home'. Mackworth was also one of the 134 Tories who tried to tack the second Occasional Conformity Bill of Anne's reign to the Land Tax vote and wrote two pamphlets in their defence, while Defoe bitterly criticized the tackers in the 'Review'. But their main encounter was when Defoe vigorously denounced Mackworth's scheme for parish workhouses and his 'Giving Alms No Charity' probably killed Mackworth's 1704 Bill. W.R. Scott, op. cit. II, pp. 444-458 gives the details of Mackworth's financial operations in this company. See also Mary Ransome, 'The Parliamentary Career of Sir Humphrey Mackworth 1701-1713', Birmingham Historical Journal Vol. I, No. 2, (1948). She states that Mackworth had no knowledge of mining and that he was personally responsible for the fact that the whole undertaking was riddled with dishonesty.

too small for an issue of annuities. On the other hand, mining lead ought to be as profitable in Wales as elsewhere. (28) He again commented on the financial structure of the company in 1706 when the shares had only just begun to fall from their peak of 26½ in June. Denouncing Mackworth's efforts to attract yet more capital into the venture, Defoe declared "neither past Profits, nor future Prospects can show so much as a Pretence for a Fund; that their grand Vein of OAR is at an end at last, and that the Annual Charge of their Office doubles all possible Gain from their Work: I think, to call the People that purchase Annuities on such a Bottom, Lunatick, is one of the kindest things that can be said of them." (29) In one of his light Miscellanies which often concluded a Review, he ironically condemned the project in language reminiscent of earlier attacks on alchemy. He pretended that Mackworth had applied to an office that had recently been established for licensing those evils which could not be remedied, asking for "a Plenipotentiary Authority, to turn real Lead into imaginary Silver; to form Airy Funds, make Settlements and Assurance, and borrow Money on them, from Widows, Orphans, and Innocent, but Credulous Persons; and then Cause those Funds, Settlements and Assurances to pass a fiery Tryal, Refining, Calcining, and then Evaporating them, till neither the Loan, the Fund, the Settlement, or the Assurances can be heard of any more." (30) "Mine Adventuring" became for Defoe a phrase denoting fraud and deceit, but a fortnight after the above attack, he was able to hail "Parliamentary Justice" for the Commons vote

28. Review, Vol. III (No. 52) p. 208.

29. Ibid., (No. 92) p. 366. *ibid.* p. 366. *ibid.* p. 366.

30. Ibid., Vol. VI (No. 149) p. 595. Cf. (No. 120) p. 480.

31. Ibid., Vol. VII (No. 4) pp. 27-28. The Commons bill to assist Mackworth was the last remnant of the downfall of the mine in 1710. D. G. P. XII, p. 612.

which judged Mackworth guilty of many frauds and thus justified his earlier comments. The company had covered "the Cheats of Management with all the Cunning of a twenty Years Artifice - Lotteries, Insurances, Funds, Loans, Interests, Ingraftments, Banks, and a hundred more Shams above Ground, besides all their subterranean Frauds - No Cheat in the Nation has ever run the Length this has done - Stock Jobbing, black as it is, is a Fool to this; ... formerly when we heard of a Capital Cheat, it was usual to say, it was a second Pitkin - But the Mine-Adventure shall now stand in the Front of all Knavery - A Cheat in its Beginning, carry'd on by heaping one Fraud on the Neck of another, and ending, as most publick Frauds do, in the Ruin of the Contriver..." (31) The bitterness of his criticism probably reflects his disappointment that another useful undertaking had been ruined by corrupt management.

The rise in the price of government stocks on the prospect of peace in 1702 was further evidence of the machinations of "the City Sharpers". Defoe expected that trade would expand when the war ended and that money which had been invested in the funds would find a more attractive return in overseas trading ventures. He reminded his readers that he had never said that the advances upon public funds had been proofs of the increase of trade, although they had been "glorious Testimonies of the Wealth of this Nation, and of the Faith and Honour of the Government." As there would now be less occasion for investments in the funds, there would be less money to be invested since "the Channel would be turn'd another way, and Trade would ingulph

31. *Ibid.* Vol. VII (No. 4) pp. 13-14. The Commons Bill to restrain Mackworth was lost because of the downfall of the Whigs in 1710. D.N.B. XII, p. 632.

the Cash, in order to make greater Advantages." Even Bank stock would then be of less value, but this had risen by 25 per cent, adding 625,000 of "Air-Money" to the stock:

"I call it Air ... and the worst Sort of Air too, for it is ten times a more convectible Element than that we breath in. 'Tis an Element God never made, and 'tis a Trade he never bless'd, ... 'tis a Fire has left more Ruins in this City, than that of Sixty-six; out of the Desolation that made, we see, fine Houses, immense Domes, magnificent Temples, and flourishing Streets. But this Ignis fatuus has like Lightning burnt up the Vitals, and left more Desolation without Retrieve; ... And where are the Ruins of this Fire? I my self have seen the Gaols full of them, the Mint and Rules swarming with them; I can show you Coaches and Chariots languishing now in Hospitals, begging for a Pension at Black-Heath or the Charter House; and the Man is still alive, who, with 100,000 l. in his Pocket, with his Coach and six Horses, eight Footmen, and extravagant Pride, made the whole Town gaze at him, ... and his very Creditors wounded with the Misfortunes of the Man, petitioning in meer Compassion to him, to have him discharg'd for one Peny per Pound by the Act, for two-thirds in Number and Value of the Creditors overruling the rest, and could not pay that Peny neither."

Comparing the activities of the stock-jobbers to the reputed practices of the alchemists, he continued, "... whenever they please, they can with the same Breath of their destructive Mouths blow away this, and carry away 625,000 l. more of the real Value along with it? Thus like true Chymists, they can condense and rarifie at Pleasure; in short, they can condense their own Vapour, and make you take it for Money; then they can rarifie your Money, and make it evaporate into their Pockets." (32) Upon "the least Disorder of our Affairs," the same breath could "blow all this imaginary advanc'd Value away with a Blast, and like a Weather-Cock or Pinnacle blown off from a Steeple, that

32. *Ibid.*, Vol. VI (No. 30) pp. 118-120. Cf. Vol. IX (No. 70) p. 139 for a similar view of the effect of peace on the price of government stocks at the end of 1712.

carries Part of the Church along with it, carries the Credit of the true Value along with it." Today the possibility of peace raised the value of Bank stock by £1 million, adding the new subscription to the increased value of the existing stock, but if there should be an invasion threat tomorrow, "that Million's vanish'd, and a Million of Mob at their Door for Money; to day on good News fight to get your Money in; to morrow on bad, fight to get it out." But were not these "meer Exchange-Alley Lunacies? ... it can never be to the Advantage of the publick Credit to have it lie so much at the Mercy of a Caprice of the People, and that Humour of the People subject to be turn'd round by every Combination of Knaves, that make their Market of the publick Confusions; for tho' in the prosperous Affairs of the Government, they may assist to prompt Mankind to embrace the stated Funds of the Nation, and make the publick Credit more fluid ... this puts publick Credit upon the wrong Foot, and, ... makes it stand upon the worst Foundation in the World..." (33)

A further reason for Defoe's antagonism towards "those sons of the Fraudulent, the Stock-Jobbers" was that their activities tended to increase the danger that financial power might come to be concentrated in progressively fewer hands. His mistrust of the financial interests was clearly evident in 1701. At that date, his Whiggism may have accounted for his opposition to the

33. Ibid, (No. 31) pp. 121-122.

34. Under Sir Josiah Child's government, the Old Company Ltd. was reformed into the Bank of England by the act of Charles II's son, James II, and hence to be known as the Bank of England. *The Bank of England* (1900) pp. 20-3.

Old East India Company, (34) but he seems to have been most critical of the Old Company because in their attempt to strike at their rivals they had deliberately done "what lay in their Power to ruin the Nation's Credit." He accused them of trying to demonstrate that they were men whom it was "Dangerous to disoblige ... in whose Power it lay so much to check the most essential Point of the Cities prosperity, their Trade; and to let the Government see too, that they are Men of such Figures and Authority in the Nation, and can at their Pleasure so manage the Cash and Trade of the Town, that they can stop our Credit, break our Goldsmiths, sink our Stocks, embarrass the Bank, and ruin Trade at their Will and Pleasure." Almost every private tradesman was affected by "the least stop to the currency of Cash, and Goldsmiths Bills" and it was intolerable that "the general Head of Trade in a City; so dependant upon Trade" should suffer from the petty quarrels between the two companies which even affected "the value of other Peoples Estates" by the fluctuations in the price of stocks which had no connection with East India stock. He objected to their interference in municipal and national politics, accusing the "mercenary Brokers," when the candidates whom they had approved were not chosen "Lord Mayors or Parliament Men" of shewing their resentment "by Affronting the Government, ruining Banks and Goldsmiths, and sinking the Stocks of all the Companies in Town." (35)

34. Under Sir Josiah Child's governorship, the Old Company had co-operated with the Court towards the end of Charles II's reign and throughout the reign of James II and came to be accused of Toryism, W.L. Letwin, The Origin of Scientific Economics (1963) pp. 28-36.

35. 'The Villainy of Stock Jobbers detected' in A True Collection I, pp. 169-181; The Anatomy of Exchange Alley, pp. 46-47.

In 1719 he recalled the earlier difficulties which faced his hero, William III, "the most Glorious Prince and most Vigilant General the World had ever seen," in the Nine Years' War, when

"the Credit jobb'd away in Exchange-Alley, the King and his Troops devoured by Mechanics, and sold to Usury, Tallies lay bundled up like Bath Faggots in the hands of Brokers and Stock-Jobbers; the Parliament gave Taxes, laid Funds, but the Loans were at the Mercy of these Men; and they shew'd their Mercy indeed by devouring the King and the Army, the Parliament and the whole Nation; bringing that Great Prince sometimes to that Exigence ... that he has even gone into the Field without his Equipage, nay, even without his Army ... and the willing brave English Spirits, eager to honour their Country, and follow such a King, have marched even to Battle, without either Stockings or Shoes, while his Servants have been every Day working in Exchange-Alley to get even his own Money of the Stock-Jobbers, even after all the horrible Demands of Discount have been allowed; and at last, scarce 50 per Cent of the Money granted by Parliament has come into the Exchequer, and that late, too late for that Service; and by Driblets, ..." (36)

In the alarm aroused by a possible Swedish invasion in 1717 on behalf of the Pretender, he suggested that the names of all the investors who either did not withdraw their money from the Bank or who went even further and made new deposits should be noted and that they should be publicly thanked by the government. Similarly the names of those who made "large demands" on the Bank at this time should also be published. He called on his countrymen to let the Jacobites see "the Bank supported by the Money'd Men, see the Stocks rise 2 per Cent. the very Day they hear of the King of Sweden's Coming," and suggested "a general Association of the Money'd Men, to stand together, ... to support the Credit of the Publick Stocks, to maintain the Currency and

36. The Anatomy of Exchange Alley, pp. 56-57. Cf. The Compleat English Tradesman, Vol. I, pp. 347-348, for another picture of the weakness of public credit in William III's reign which was only restored by the government employing the same methods as a private person.

Honour of the Bank." (37) The conduct of the Alley in this invasion scare, and again in 1719, led him to the conclusion that "if every Alarm of the Foolish or the Timorous, or the False" was able to damage credit, even if there were no deliberate design on the stock market, then Exchange Alley was "as dangerous to the Publick Safety, as a Magazine of Gunpowder is to a populous City." (38) On this occasion he contented himself with charging the stock-jobbers with making "the first Advantage of the News" but earlier he had accused them of deliberately using the "double-tongu'd Devil", rumour, as one of their "chief Instruments" to further their designs. (39) "Apart from the fall of a million pounds in the value of government securities, every farthing of which was "occasion'd by the Stock-Jobbers", allowing them "to guide our Judgment in publick Affairs" was putting too much power into the hands of subjects and making even the King "subject to the Caprice of their private Interest." He claimed that the London stock market was controlled by "three Capital Sharpers" who made "a true Triumvirate of modern Thieving. C - "a Man of Brass" was said "to manage for three Blew Ribbons and for four or five Cash-keepers" and was "a Jonathan's Coffee House in little." Yet he was rather "directed" than directing, whereas S -, who was as cunning as C was bold, had "twice the Head but not half the Business of C." Together they made "a compleat Exchange Alley Man," but T - apparently was this in his

37. What if the Swedes should Come? ... (1717) pp. 27-34.

38. The Anatomy of Exchange Alley, p. 57.

39. Review, Vol. VI (No. 77) pp. 305-307.

41. Review, No. 10, 1719 (1719).

own person as he combined "the Face of C - with the Craft of S -." These were the masters of the jobbers because they had "so many Bear-Skins pawn'd to them at a time, so much Stock deposited with them upon Bottomrie, as it might be call'd" that they could be called "the City Pawn-Brokers." "Whenever they call in their Money the Stock-Jobbers must sell; the Bear-skin Men must commute, and pay Difference-money; then down come the Stocks, tumbling Two or Three per Cent. then the Tools must sell and their Masters buy; the next Week they take in Stocks again, then the Jobbers buy and the Managers sell. Thus the Jobbers bite their Friends, and these Men bite the Jobbers." Yet when they had struck at the Bank, they had been foiled by Godolphin, and "the Master-Piece of their Knavery", a design to get the forfeited estates in Ireland into their hands, had similarly miscarried. (40)

Writing in 1714, of the unsuccessful Tory attempt to gain control of the Bank directorate after Harley had established himself in power, he did not dispute the claim by the Whig writers of 1711 that their party owned five parts in six of the Bank and East India stock. (41) This was an obvious exaggeration but while it was illegal for a director of one company to sit on the Court of another, this did not prevent common action by the controlling groups of these great joint-stock organizations to

40. The Anatomy of Exchange Alley, pp. 58-59, 36-40. C - was George Caswall, S - was Jacob Sawbridge, the Deputy Governor, and T - was Elias Turner, Governor of the Sword Blade Company.
41. J. Carswell, The South Sea Bubble (1960) pp. 32-38, gives further details of the three men and of the early activities of the company.
41. Mercator, No. 110, Feb. 2, 1713 (1714).

protect their interests. There was a particularly close relationship between the East India Company and its banker, the Bank of England, the supplier of its short term credit and of much of its silver bullion for its trade with Asia. (42)

Although the number of investors, which included some women, was quite large, and small holders of securities, especially of government stock, might comprise half the total, they seldom owned more than one-quarter of the stock, or about the same proportion as was held by the tiny group of big investors. (43) It was thus the medium holders who had the biggest share of the stock market but "a large part of the stock was in the hands of the top layer, rather than the middle or lower layers, of City society, men of aldermanic status or just below it." (44)

Defoe was always proud of the fact that he was a London freeman by birth. (45) and he consistently represented the outlook of the smaller merchants and tradesmen of the capital in whose ranks he had begun his business career as a hose factor. In his early pamphlets, apart from the direct attacks on the financial magnates and stock-jobbers of "The Freeholders Plea" and "The Villainy of Stock-jobbers", he denounced the City aldermen and magistrates whose own vices prevented that reformation of manners which was so dear to the heart of the Puritan. (46)

42. Lucy S. Sutherland, The East India Company in Eighteenth-Century Politics (Oxford 1952), p. 22.
43. P.G.M. Dickson, The Financial Revolution, pp. 302-303.
44. K.G. Davies, "Joint Stock Investment in the later Seventeenth Century", Econ. Hist. Rev. (2nd Series) Vol. IV (1952).
45. J. Sutherland, Defoe, p. 32.
46. "The True-Born Englishman" (1701), "Reformation of Manners" (1702) "The Poor Man's Plea." (1698) A True Collection, pp. 34-39, 69-80, 287-300.

In July 1711, he turned aside from his campaign against the Whig flight from the funds to attack the revived custom of birding, that is singling men out for municipal office who were either unqualified or unlikely to accept, with the sole object of obtaining the fine which they would pay to be excused the appointment. This had been coupled by certain London Lord Mayors with an attempt to nominate one of the two sheriffs by drinking to him and Defoe cited the famous occasion in 1682, when Sir John Moore, in the aftermath of the Exclusion crisis, tried to set aside Papillon and Dubois, the choice of the Whig majority in the City, by drinking to the Tory, Dudley North. Although they were ultimately defeated by the trickery of the Court, Defoe acclaimed the resistance of the liverymen in Common Hall to this attempt and reminded his readers that he had been born a freeman and that he had been "near 30 Years a Livery-Men of this City." (47)

He also attacked "the Men of Great Employ" (48) for cornering the market when a new lottery issue was made with the aim of securing, but claimed that "hundreds that had their money for disposing of the tickets later at a premium. In April 1711, he alleged that "the main Agent" of the last lottery, a Whig, was responsible for giving people the impression that the Whigs would not lend their money to the government, preparatory to soliciting "a Knot of Men to Engross the whole," so that when the subscriptions were opened, "indifferent Men, plain, unconcern'd Adventu-

47. Review, Vol. VIII (No. 51) pp. 206-207; K.H.D. Haley, The First Earl of Shaftesbury, (Oxford 1968) pp. 697-704.

48. Defoe also attacked birding in Parochial Tyranny, (1727) p.15
48. "Hymn to the Pillory" (1703), A Second Volume of the Writings p. 107.

49. Review, Vol. VIII (No. 51) p. 207.

ers, could not be admitted." Because the lottery had first to pass through "these Hucksters Hands", they gained "the prompt Payment Money" of ten per cent for six months upon £375,000. (49) Three months later, he added: "The Subscribing vast Sums to any Fund, or the Undertaking for great Sums, beyond the Capacity of the Subscribers, in order by these Subscriptions to Engross the Loan, that then all those, that will come in afterward, may be oblig'd to buy of these Nominal Subscribers, at an advanc'd Price, this I call STOCK-JOBING the Funds." He agreed that this looked "like Credit, and the Artifice of the Actors may at first bring Things to some height," by which he presumably meant that it was at first glance a legitimate credit operation by the underwriters, but it had the following disadvantages:

1. It gives the People in general, an Aversion to the Loan.
 2. It is more than three to one that it miscarries.
 3. If it does not miscarry, it is too great a Risque for any Government to run.
 4. If it succeeds, 'tis a Publick Evil for a private Good, a Thing below any Just Government to suffer.
 5. It is, tho' not Literally, yet Eventually, a Cheat."
- He admitted that the last lottery had in fact been fully subscribed, but claimed that "Hundreds that kept their Money for these Purposes, apply'd it another Way" so that there were 2000 fewer "Adventurers" than in the one drawn the previous year.

"Now I lay it down as a Maxim," he continued, "as Credit is the general Opinion the People have of the Publick Security, it is less safe to have it in few Hands than in many; and all they who strive to have the Publick Loans lie in great Sums, and a few Adventurers, act against the Publick Interest of National Credit, and lay it most open to a Miscarriage." The third or

"classes" lottery had been launched in the same "narrow Compass" so that it had been possible to "run up to 7 per Cent Advance, besides the Discount." He was unhappy that this practice could not be remedied without damage to the national credit, but he claimed that the underwriters had been too optimistic and thus had made "a new fashion'd Bear-Skin of the Lottery" so that the tickets were now available almost at par. (50) The Treasury's aim in floating its loans by this customary practice of a closed subscription was "to procure a body of subscribers of sufficient financial strength to keep up the price of the stock when it came on the market as soon as the first instalments of payment were made," (51) but to Defoe it was a method "always Manag'd by the Dexterity and Art of a Pack of Thieves, Pick-Pockets, Cut-Throats, and meer Banditti in Trade." He alleged that the ordinary subscriber had the natural reluctance of a "Man of Business" to be imposed upon and to pay "Levy Money" to such "Jobbing-Ingrossing State Higlers" so that he was wont to say, "Oh, it is got into the Hands of the Jobbers, I'll have nothing to do with it." Thus the stock-jobbers caught no more "City Gudgeons" and the lottery was in danger of being under-subscribed. (52)

By the time he came to write his *Tour*, however, he had come to believe that the ownership of stocks, despite the collapse of the South Sea Bubble, had become so widespread "that almost all the men of substance in England" were "more or less concerned

50. *Ibid.*, (No. 55) pp. 222-223.

51. Luey S. Sutherland, *op. cit.*, p. 25.

52. *Review*, Vol. VIII, (No. 56) p. 226.

in it" and no less than £100 million of stock changed hands each year, giving the government a substantial revenue from the tax on transfers of stock. " Yet it was still their mistrust of their brokers which was one of the chief reasons for "the prodigious conflux of the nobility and gentry from all parts of England."

"That many thousands of families are so deeply concerned in those stocks, and find it so absolutely necessary to be at hand to take the advantage of buying and selling, as the sudden rise or fall of the price directs, and the loss they often sustain by their ignorance of things when absent, and the knavery of brokers and others, whom, in their absence, they are bound to trust, that they find themselves obliged to come up and live constantly here, or at least, most part of the year."

This new growth, however, was an excrescence and he looked forward to the time when the debts should be paid off and the gentry should have returned to their country seats. (53)

Thus it was not merely the landed men who attacked the financial interests but Whig pamphleteers and merchants such as Cary and Defoe who were no less vehement in denouncing the stock-jobbers for their deleterious effects on trade. In all the extensive pamphlet literature, which was so often the work of Whigs and Dissenters, there only seems to be one favourable comment on their activities, in the anonymous "A Reply to the Gamester," written in answer to Defoe's short-lived periodical. This author referred to those useful Persons, vulgarly call'd Stock-Jobbers (for such I shall always esteem those Gentlemen) who, by affording a ready Market at all times for Government

Securities, do thereby preserve their Credit, and keep up their Value." (54) Most agreed with John Bellers that stock-jobbing would "ruine any good thing" or with Thomas Baston that "these Muck-Worms" had been responsible for "fatal Misfortunes ... upon the Midling, Industrious and poor Sort of People." (55) In 1708 "this Black Art" gave rise to one of Defoe's tedious allegories which, however, is interesting for the various imperfections in trade which he linked with an undue desire for gain. "When the Trade of England grew wanton by Wealth went a Cater-wauling after Novelty," she met "an old City Lecher, one Alderman Avarice." Their union produced two twins, Projecting and Ensuring, who "grew up in all the Imperfections of Commerce."

Avarice then lay with both the daughters and Projecting gave birth to Monopoly, Patents and Charter, the last a vigorous brat who brought forth Company upon Company." The incestuous offspring of Ensuring were Lottery, "a young Bastard with a smiling Countenance, but ... a Belly like the bottomless Pit, that devour'd all and return'd none," Bottomree, "a cunning, usuring, jilting Devil," and Wager, "a saucy Jade" that had begun to affect the public credit. The old Mother, however, finally produced "the Devil of a Monster - With a hundred Hands, and every Hand a hundred Fingers; and these so subtle, so swift in Motion, and so artfully directed, that they were in every Body's Pocket before they were aware of it ... this native Pick-pocket was born a Thief, bred up a Cheat, and will die a Prostitute; she goes dress'd up all in Bear-Skins, her great Bawdy-

54. A Reply to the Gamester (1719) p. 4.

55. J. Bellers, Proposals for raising a Colledge of Industry (1696) p. 13; Thomas Baston, Thoughts on Trade and a Publick Spirit (1716), p. 7; cf. J. Cary, Essay on the State of England (1695) p. 36.

House is Exchange Alley, her Pimps are the Brokers, her Cullies the Merchants and Tradesmen, her Family is of the Devil, and her name is Stock-Jobber." (56) Three years later, he substituted the metaphor of disease for that of promiscuity.

"Stock-jobbing is a Feavour, ripen'd up to a Plague, and carries with it a mortal, and I fear, an incurable Contagion: ... it has spread its Infection now, like Pharaoh's Frogs, into our Pallaces, Compting Houses, and Bed Chambers: It has fill'd us with Noisom and odious Stench, flowing from the infected Breath of those, who tho' the Plague be upon them, appear in Publick. By a Noisom Stench, I mean the constant Sharping, Tricking, Cutting and Shuffling used in that Trade, that stinks in the Nostrils of Honest Men, and infects the Nation, till it has fill'd us with Beggars and Bankrupts, Purse-proud Broakers, Sharpers, Setters, and I know not how many Nameless Crafts, to draw Men into the Snare, ..." (57)

Yet Defoe was forced to admit that he had no complete solution for the problem created by the development of speculation in the stocks - "'tis not always to be expected that he that finds a Fault shou'd mend it." His suggestion that the remedy lay with the coming session of Parliament was not characteristic of a pamphleteer who never tired of pointing out what should be done. His first measure was the vague suggestion "to impeach the Persons of such Misdemeanours as on a fair Hearing may be prov'd on them" and to punish them by banning them from any dealings in the stock market but he did not define the misdemeanours or make any reference to the recent Act of 1697.

His more concrete proposals were to amalgamate the two East India companies and to make dealings in the stock more difficult by insisting on its actual transfer, to impose a duty of ten per

56. *Review*, Vol. V (No. 107) pp. 427-428. (1724), reprinted in
57. *Ibid*, Vol. VIII (No. 81) p. 325.

cent on each transfer of stock and to "Oblige every Person to whom any Stock is Transferr'd, to swear that he will not Buy, Sell, Alienate, or otherwise Mortgage or pledge the said Stock without a legal Entry of the same, in the Books of the said Companies, and Transferring the same according to Act of Parliament," (58) this last despite the failure of the Bank of England in 1697 to compel the registration at the Bank of all sales of its stock. (59) Thus his optimistic forecast that these methods, "with the Addition of such as the Wisdom of the Nation" would find out, would enable England to "Trade upon the square" and that "plain Trade" would become "the General business of the Exchange" was never realized. In 1711 he was lamenting, "A sells B Stock in a Company, and takes his Money upon the Contract when he has not one Penny Stock to deliver, that's selling nothing for something ... Men buy Air for Money, and sell Money for Air."

(60)

Defoe's difficulty in suggesting effective action against stock-jobbing was not merely that he fully shared "the time-honoured but futile identification of economic pressures with human wickedness or folly" which inevitably was a marked feature of this period of trade regulation or that the proposals which reached the statute book, such as those of 1697, 1708 and 1734,

58. "The Villainy of Stock-Jobbers Detected ...," A True Collection, I, pp. 269-271; John Egleton "A Letter written to a Member of Parliament, relating to Trade" (1702) made detailed proposals for regulating transfers of stock, Somers Tracts Vol. XI pp. 617-618.

59. P.G.M. Dickson, op. cit., pp. 516-517.

60. Review, Vol. VIII (No. 48) p. 194. Thomas Gordon, "An Essay on the Practice of Stock-jobbing" (1724), reprinted in A Collection of Tracts ... by the late John Trenchard and Thomas Gordon (1751) believed that time bargains locked up so much stock that the small amount left on the market was more easily manipulated "to an immoderate height by the leading Men" p. 84.

were constantly left behind by the appearance of new speculative techniques, (61) but that he did not want the stock market to be brought too firmly under government control. While there was no danger of the government obtaining absolute power under George I, there was no guarantee against this in the future:

"So if a Government should come absolutely to get the Management of the Stock-Jobbers, it might be many Ways fatal to the Peoples Interest, and indeed put the Purse-Strings of the Nation so much into the Hands of a Ministry, that if it did not at any time command the General Treasure, and be able to raise what Money they pleas'd without a Parliament, they would be able to add what Value they pleased to the Funds given ... Let you Citizens of London have a care of a Bearskin-Court and a Stock-Jobbing Ministry, when Exchange-Alley shall be transpos'd to the Exchequer, and the States men shall make a Property of the Brokers. ... they would not stand in so much need of Parliaments as they used to do, and as it is convenient for us they should do. ... we ought not to leave our Posterity in a Condition to be devour'd by such Caterpillars, if it be in our Power to prevent it. ... It would be hard to say to what Length this Jobbing Trade might be extended, especially where the Advantage of a punctual Management the publick Credit has so far gain'd upon the People, as to bring the Rate of Funds and Stocks to exceed the Intrinsick Value, and to keep upon an Advance: What may not a Government, who has the Command of Money, do in the particular Act of Screwing up, or screwing down the publick Interests and Securities?" (62)

Whereas Thomas Baston, in 1716, would have forbidden completely all transfers of stock, (63) Defoe accepted that the stock market would remain so long as there were government stocks, although he looked forward to the repayment of the national debt and the consequent disappearance of Exchange Alley.

He reported that one of the leading stockjobbers had maintained

61. P.G.M. Dickson, op. cit., pp. 516, 520.
62. The Anatomy of Exchange Alley, pp. 60-63.
63. T. Baston, Thoughts on Trade, and a Publick Spirit; ... (1716) pp. 16-17.

that as long as there was government borrowing, there would be a market in their funds, "and while there is a Market we will buy and sell; there is no effectual way in the World, ... to suppress us but this, viz. That the Government should pay all the publick Debts, redeem all the Funds, and dissolve all the Charters, viz. Bank, South-Sea, and East-India, and buy nothing upon Trust, and then ... they need not hang the Stock-Jobbers, for they will be apt to hang themselves." (64) Probably even more fundamental was his concern for full employment of the numerous poor (65) and, in consequence, a strong predilection for an expansion of business activity by some degree of inflation. Thus he complained of bearish operations in Exchange Alley more frequently than he did of over valuing of stocks, although he constantly stressed the importance of intrinsic value. (66) While the following statement appeared in an early attempt to allay the financial panic which followed the bursting of the South Sea Bubble, there is little doubt that it was Defoe's conviction:

"Those not engaged in the publick Funds, are as much concerned to support the Credit of them, as those engaged, as all will feel the good or ill Effects of their Support or Decay.

A Decay of Credit must unavoidably end in a Decay of Substance. The Farmer will find no Market to take off the Produce and Effects of his Labour, and consequently be unable to pay his Landlord. The Merchant will find no Demands for their Commodities, and the industrious Manufacturer no Employment for his Hands. As the Poor will increase, the Means of relieving them will lessen daily." (67)

64. The Anatomy of Exchange Alley, p. 2.

65. Supra, p. 122

66. Supra, pp. 478-479.

67. The South Sea Scheme Examined ... (1720) pp. 13-14.

In the spring of 1720, the same conclusion had prevented him from joining in Steele's attack on the South Sea Company's transactions, although he could see as well as Steele that there would be sufferers from the fever of speculation which had gripped England. - "... every Body is more or less infected, except Sir John Edgar, and my self; tho' if the Reason of our escaping the general Contagion were acquired into, I'm afraid it would appear, that we owe our Virtue to our Necessity ... I must own I am not so obstinate in my Opinion, to imagine that the private Advantages which are made from the present Rise of the South Sea Stock may not be strictly Justifiable, and at the same Time very compatible with the Good of the Publick." (68) It is true that Defoe had attacked Steele in print in 1713 concerning the commercial treaty with France and the alleged tardiness of the French to destroy the fortifications of Dunkirk, (69) and he now proceeded to make various insinuations against Steele, while ironically stressing his integrity, saying that he was so averse to all kinds of usury that he could "hardly bring himself to think that the legal Interest of Money borrowed between Man and Man ought to be paid." Defoe continued, "I hope Sir John and I shall live to see the new Establishment of the South-Sea Company fully answer the World's Expectation; that it will make the Annuitants, the Government, and themselves all Gainers; that it will by just and equal Degrees, ease the National Debt, and make a fair Divi-

68. Sir John Edgar was Steele's pseudonym in writing the "Theatre" which ran for 28 issues from January to March 1720.

69. *Infra*, p. 79. On March 16, 1713/14, Defoe went so far as to furnish Harley with extracts from Steele's journals on which a prosecution for seditious writings could be based. H.M.C. (Portland) V, p. 388. See my Leeds M.A. Thesis (1961) p. 310.

dent of their Profits, in full Proportion to the Increase of their Capital. I grant, some bold Adventurers in this Undertaking will be Sufferers, and woe be to those who happen to be the last Purchasers of the Stock when it is at the Highest; nor as the Word in the Alley is, The Devil take the Hindmost. But if the general Consequence should be, that Trade and Credit flourish to a greater Degree than was ever known before, I hope Sir John will think himself obliged to make as solemn a Recantation of his Errors ..." (70) He had expressed the same viewpoint during the previous month, when he had also claimed to have made some such proposal for reducing the burden of debt during William III's reign:

"I have heard it complain'd of as the Great Grievance of the Treasury, that People have attended there for several Years together, with Schemes for paying the Debts of the Nation; and when at last they have been received, they have too frequently been Mislaid, and buried in Obscurity by Mr. Lowndes; for I must not be afraid to Name him; when the Good of the Publick is concerned, though I have otherwise, all due Regard to his Person and Abilities, I remember one flagrant Instance of this in King William's Time; ... innumerable Projects for Funds were brought in from every Quarter; and I, among the rest, presented to the late Lord Halifax, An humble Proposal to turn all the Nation into Money; and though it was put into his Lordship's own Hand, ... nothing was done upon it, ... However the Thing came to miscarry, for want of due Consideration, we see by the Example of a Neighbouring Nation, that such Schemes may be reduced to Practice, and therefore I shall encourage all Proposals, which tend to make us Rich, as well as happy in other Respects." (71)

It was these considerations that made his attitude towards John Law's activities ambivalent. While his first published comment has one ironical reference that the rise of the stock

70. The Commentator, No. XXV, Friday, March 25, 1720.

71. Ibid., No. XIV, 15 February, 1720.

72. The Commentator, July 1720, pp. 481-482.

of the Company of the Indies testified to "the Immortal Honour of Stock-jobbing," the general tone of his remarks shows admiration for the Scottish financier's "exquisite management." "The appreciation of French government securities was "to the Infinite Advantage of the French Government, who, upon the Foundation of this Advance in Credit", were "likely to be the first Nation out of Debt, tho' they were the Deepest in." If the report were true that the French were likely to pay off their public debts in four years, while there was the prospect that the Dutch would extinguish theirs in seven, the British would be the "longest Bankrupts." (72) This revolution in French financial affairs would "pass with this Age for a Dream and with Posterity for a Fable," and under "this happy Advance of the Publick Credit, all other Things took their Turn of good Fortune." When the Mississippi Company had not only absorbed all the various French foreign trading companies into one huge monopoly, but had also acquired the tobacco monopoly and the tax farm, he described the last agreement as a stroke which would "remain unparaelled (sic) in History" for the entire French national debt was discharged at one blow. The "vast Designs" which were projected for the colony of Louisiana would make the French "the most formidable Nation in America." Law was organizing his affairs "with so exquisite a Conduct," that "the Credit of an Enterprise so Directed, and so Supported, must be upheld" and to show how difficult it would be "to attack such a Man, or to master his Schemes," he told a current story how Law had foiled a run on his bank by some Dutch merchants at Paris. The clerks had given specie for the 22 or 25 million livres of bankbills which they

72. Mercurius Politicus, July 1719, pp. 481-482.

had presented for payment, but an edict had quickly reduced the louis d'or from 16 to 15 livres so that most of the pistoles were soon back in the bank's hands. By Law's "new System," the king's revenue would be increased by 100 million livres while the people would pay above 100 million less in taxes. Money was flowing "like the Water of the Sea." (73) The poor would no longer pay taxes on provisions or fuel so that the expenditure of "a Midling Family" would be reduced by at least a fifth. (74)

It was this possibility that the French would be able to cancel the whole of their national debt that made Defoe most envious of Law's reputed success. Whereas France had been unable to get the better of Britain because parliamentary credit had proved so much superior to the credit of an arbitrary government, now that same arbitrary power had been able to transpose the debts from the French king to the people. In Britain the debt could only be reduced "by the slow fire of Parliamentary Proceedings" and for once tyranny had "the whip hand of Liberty." Ironically, it had been the very want of credit in France which had furthered Law's measures. (75) The sixty per cent. discount on the state bills had made the people more willing to exchange them for the bonds or shares in the new company. Wisely concluding that "a foundation of Credit must be laid before any sufficient Project could be founded upon it," Law had established the

73. Ibid, August 1719, pp. 513-522.
 74. (Mists) The Weekly Journal, September 26, 1719.
 75. Erasmus Philips, An Appeal to Common Sense (1720) p. 4. declared, "France for many years had not known what credit was."

national bank, "a well lay'd design; had there been no more intended." Upon "the Credit and Capital Stock of the first Subscribers there was immediately a Clear prospect of a Current Running Cash, Establish'd upon just Foundations, and Sufficient to answer all the business of France; I mean such business as was fit for the management of a Bank." As it had so far proved impracticable to base a bank on land, Defoe believed that a large reserve of specie was essential for a bank's credit operations and he was impressed by the amount which Law had been able to attract. "It was "inconceivable the mighty Encrease of business they have upon their hands in so little time, and the immense Sums of Money they have by them in Specie." On the other hand, he shared the current expectations of the benefits which would automatically flow from such a fund of credit as he thought that Law had succeeded in establishing in France. "But he that knew that nothing could be done without a Fund of Credit first Established, knew also that such a Fund of Credit being once thoroughly Established, nothing could miscarry that was founded upon it, for as half the Projects in the World fail, ... for want of ready Money and Credit, so when once a Project is backed and supported with a flush of Ready Money, they must be weak Managers indeed, if they miscarry;..." (76)

As Defoe was ready, from the beginning, to separate the trading activities of the South Sea Company from its financial

76. The Chimera (1720) pp. 1-16; J. Carswell, The South Sea Bubble (1960) p. 83, states that the Banque Generale was, within a year, one of the strongest financial institutions in Europe.

operations and later came to believe that they should have been separate undertakings, (77) he claimed that Law knew that his Mississippi Company "would not produce any great Effects, at least in his time" in developing Louisiana, and that he "never Design'd a Hundred Millions of Livres should be Employ'd in Peopling a Wilderness." (78) Defoe correctly judged that Law's aim from the start was the stimulation of French national credit, but while his Bank was successful, state bills remained at the high discount of 60 per cent. Yet, this fact "made it the easiest thing in the World to establish a Fund for any New Undertaking that was but tollerably promising, where the Subscribers should be allow'd to subscribe these Dying Credits at a PAR," while Law's famous offer to buy Mississippi stock at par, or nearly double the current price, in three months' time played no small part in promoting the boom in the stock and raising it from an imaginary to a real value. Defoe saluted Law's "Genius and Capacity" in envisaging such a scheme and carrying it into effect, but something more was needed, although Law had added the coinage and the tobacco monopoly to the royal bank and the Mississippi Company, for "as yet there was no weight in the things themselves. While the financier had the whole fabric of his system in his mind from the beginning, he "prudently gave everything time to Work," but he now decided that it was time for his next step, all his moves being "like Mines, sprung from beneath, not the least Notice being given of any thing till it burst out like a sudden Fire." This was the union of the French East India

77. Infra, p. 518.
78. The Chimera, pp. 16, 21. Law was in fact much more active in his colonising activities than the South Sea Company was in trade. J. Carswell, op. cit., pp. 85-86.

Company with the Company of the West, but while this gave the French investor large hopes of future profit, Law regarded all these things as subsidiary to raising a fund of credit at home "to make good the undoubted Maxim, That a Fund of Credit, is a Fund of Money, and able to make it self equal to all the Money in the World." (79)

Defoe obviously admired the boldness of Law's schemes, especially his assuming responsibility for the entire national debt of 1500 million livres and at the same time increasing the yield of the taxes by 4 millions, while the people paid 12 millions a year less by the removal of the most burdensome taxes and the dismissal of 30,000 officials "who subsisted on the Spoils of the People" so that the people of Paris lived a fifth part cheaper than they did before. (80) He described this undertaking as "a Prodigy of Management" in that Law's Company "had not any Fund of Money" with which to pay these debts. It was a signal demonstration of "the Power of Credit, and what immense Structures may be built, and Mr. Law has built upon this single foundation, by which he has restor'd a Government overwhelm'd with Debt ... and has deliver'd a Nation oppress'd with Taxes, in such a manner, and in so short a time, that Posterity will never believe the relation." He also congratulated Law on his "Masterly Genius" for his success in restoring the credit of the old stock by offering to buy the old 100 livre shares at 900 livres when stockholders were selling the old stock in order

79. The Chimera, pp. 17-19, 21-22, 28-29, 47-69, 54-55.

80. The Case of Mr. Law Truly Stated ... (1721) p. 10.

81. ... pp. 27-30. Law's subscribers would only pay 100 livres down and the balance in nine equal instalments.

82. ... pp. 60, 64-65, 71-72, 77.

to buy the new subscriptions. (81) By "the Dexterity of his Management" in the uncharted seas of credit manipulation, a private Gentleman, had raised himself to be "the greatest Subject in the World." While his trading activities were "the least of Mr. Law's design," Defoe paid tribute to Law's energy in sending out twenty ships to engage in the East India trade, promoting a new canal to join the Loire to the Seine and to deepen the latter river between Rouen and Paris, although they were rather "amusements to alarm the World" than serious projects. Almost his only criticism of the Scotsman's measures was that the Company ought to have obtained 4 per cent. interest instead of 3 per cent. on its loan to the government, which would have given it "some visible Profit" and would have enabled it "to make some proportion'd Dividend to the monstrous advance of their Stock." (82)

Defoe blamed "the Volatile Temper of the French Nation" rather than Law's strategy for this boom. This had been responsible for "running up an Imaginary Stock; for except about 37 or 40 Livres, upon a 100 in the first Subscription, it was no other, to such a sudden and such an unaccountable extravagant height." Defoe seized on this absence of any foundation "equal to the Structure that now stands upon it" as the inherent weakness of Law's later measures, in marked contrast to the financial strength of his initial venture, the Banque Generale. Indeed, "the Imaginary part" was raised "to such a degree, as the Profit of Ten East India Trades could not support." In addition, Law's manoeuvre to maintain the credit of the original stock

81. The Chimera, pp. 57-58. New Subscribers need only pay 100 livres down and the balance in nine equal instalments.
82. Ibid, pp. 62, 22-23, 71-74, 59.

prevented him from launching any further subscription to maintain the momentum. Therefore, Defoe forecast the inevitable crash, saying "when it comes Great will be the fall of it." (83)

Despite his previous comment on the methodical unfolding of Law's master plan, Defoe had always realized the reckless character of the Scotsman's designs, but when he came to write his second pamphlet on his activities, not only had Law fled to Brussels on the complete collapse of his "System" but the South Sea Bubble had also burst. In fact this pamphlet was a reply to "A Letter to Mr. Law," published on 11 November 1721, which had argued that Law had tried to prevent the excessive rise in the price of his stock and that rival influences at the French court had been responsible for the financial disaster. Defoe complained that these assumptions could be used in defence of the South Sea directors and he proceeded to compare their malpractices with the earlier examples in France to show why both were overthrown. "Fate and his working Head" pushed Law into "innumerable Projects, some of them impracticable and imaginary as the Mississippi; others of them vast, immense and unmanageable" but which could only be supported by "advancing a small real Value by Credit, to a great imaginary Value." This was the reason why he started so many new projects "to keep up the Spirits of the People." Similarly the South Sea Company tried to take in the East India Company, the African Company, the Bank of England, and at last all the Customs." Both set on foot new subscriptions at the increased value of their stocks

and both declared dividends when the stock had reached about 1000 per cent, but while they could sell stock at this price, "all the Wealth of Europe could not pay for it." The suggestion that Law was overthrown by "the first Adventurers" seeking to convert "the prodigious Gains they had made into Specie" showed that the author of the Letter misunderstood the true nature of "the most flagrant Cheat in the World" and had seized upon "a meer Trifle." It was not only impossible for the Banque Royale to meet their demands but "even the whole Kingdom." In buying estates they were only following Law's own example and either his capacity or his integrity must be in question:

"... If Mr Law did not foresee that his selling out ... would at least be an Example to others to do the like; and that the Alarm once taken, it would soon bring more Sellers to Market than Buyers, the Consequence of which must be a Fall of the Price; which would be as fatal as Death; ... he could not be the Great Man the World at that Time esteem'd him to be; and if he did foresee it, and yet openly acted so, he must be supposed to see himself at the End of the Adventure, and, like a skilful Pilot, who seeing first the unavoidable Wreck of the Ship he is in, makes Provision for his own Safety." (84)

A further reason for Defoe's later condemnation of Law was the financier's reported plans to make French credit supreme in Europe by sinking the price of British government stocks by similar bear operations against the South Sea Company. (85) It gave him obvious satisfaction to relate that Law had lost 160,000 pistoles because Englishmen had a better knowledge of the London stock market than he had. Defoe also ridiculed the suggestion that Law might now find employment in England

84. The Case of Mr. Law, Truly Stated, passim.

85. Ibid, pp. 11-12; J. Carswell, The South Sea Bubble, pp. 95, 132.

for England had now neither credit nor money, and "the Season for National Delusion" was over. Yet his underlying appreciation of Law's abilities is revealed by the statement that the British nation had been shown to be as credulous as any other and "had the great Mr Law acted in the Place of the less politick Mr. Knight, or the still less able Mr. C - g (Craggs)," there was no telling "to what farther Extremes we might have run." Although Law was "the first Man that ever came clear off ... with so much of the Ruins of their Country in his Pocket," his schemes had been based on these sound principles:

"That Trade depended on Money.

That Credit was equal to Money.

That the Credit on the Royal Bank, (supported by the Whole Species of all, and form'd into one Great Trading Company, had infinite Advantage over Credit, in the Hands of private Traders.

That consequently such Credit might be extended much farther than private Personal Credit.

That Paper might supply the Place of Silver, and was even better qualify'd to be us'd as Money.

I say, these are all solid and undoubted Axioms in the Affairs of Trade or Revenue, Funds, National Treasure ... and are worthy of the Genius of the Great Mr. Law, when acting in France, where Credit never shew'd much of her Face before; ..." (86)

It is true that he slightly added that these were "common Topicks" in England, known to every stock-jobber, but this does not alter the fact that he had accepted much of the argument of "Money and Trade Considered", including the advantages of paper money, despite his earlier belief in the necessity to preserve the intrinsic value of the silver currency. (87) When the news of the check to Law's career after the Arret of the 21 May began to reach London, Defoe had paid yet another tribute to Law:

86. The Case of Mr. Law Truly Stated, pp. 18, 24-32.

87. Supra, pp. 317-319.

"Nothing has been more evident, than that Mr. Law has been of an universal Service to France; and, that by his Genius alone, he has retrieved the Loss of the late long and miserable War, and put the Sinking Credit of that Nation in such a flourishing Condition as was never known before." Yet he had had to surmount many difficulties, not least that of being a stranger in a country which had "a very mean Opinion of Foreigners." (88) Defoe was too much in sympathy with both the principles and aims of the "system" for him to make "a savage attack" on Law at any time, and not only was this untrue of "The Chimera", it was not even the case with the more critical second pamphlet, written when it seemed that Law had been completely discredited. (89)

It is not surprising that Defoe took an even more charitable view of the famous rise in the value of the South Sea stock in 1720. In supporting its foundation in 1711, he had shown at least enthusiasm for its possible trading activities. He had repudiated the notion that "Parliament intended to pay all National Debts, with the floating Expectations of a precarious South-Sea Trade" as a malicious suggestion. The "South Sea Corporation" was only "an Additional Advantage" to the offer of a regular 6 per cent interest to the creditors of the depreciated floating debt. (90) When his hopes of an imperialist attack on Spanish America disappeared with the end of the war and the succeeding years showed the hollowness of the trading concessions which Spain granted in the peace treaty, it was only in the

88. (Mist's) The Weekly Journal; ... 11 June 1720.
 89. J.R. Moore, A Checklist of the Writings of Daniel Defoe,
 (Bloomington, Indiana, 1960) p. 171 so describes "The Chimera".
 90. A True Account of the Design and Advantages of the South Sea Trade, (1711) p. 32.

financial field that the Company could now serve the nation. His approval of so many aspects of Law's venture meant that he would support any similar English attempt to realize the immense benefits which it was generally thought would follow from the expansion of such a fund of credit as the South Sea Company had at its disposal. (91) In February, however, before the Bill authorizing acceptance of the South Sea Company's terms for converting the nation's debts had been debated in the Commons Defoe was expressing his reservations about the proposals - "the South Sea Company being now mounted, and become the English Mississippi; - they are all to pay our Debts, some time or other, when they can; though, ... if all our Debts were paid, they would be paid too; and then, where's your South Sea Company?" He proceeded to ask what advantage it was to the nation to have things sell for more than they were worth. "Suppose a Company's Stock to rise up to 200 per Cent; at this price they may propose to buy the Nation's Debts up. Suppose Annuities or Tallies, or what else you please, if the Sellers will take one Shilling for two, the Buyers ... may give thirty years Purchase for that which was worth but twenty years before, and get ten by the Bargain." His concern for the intrinsic value of anything, whether commodity, coin or share, made him doubtful of the final outcome of the transaction. "If new Shares are created to make this Purchase, which Shares are at Market vendible at, double the intrinsick Value, where must it fall when the Price abates? And when what is bought for 200 may sell but at PAR?" (92)

91. W. R. Scott, *op. cit.*, I, pp. 396-398, 436-438.

92. (Mist's) The Weekly-Journal, Feb. 20, 1720.

Once the Bill had passed through Parliament, he had so far stifled his doubts as to publish the usual fictitious letter in his 'Commentator', which expressed his "own Notion of Publick Credit."

"... I have no manner of Quarrel at the sudden Rise of our South-Sea Stock, or of any other publick Fund or Company; since I believe it may be easily made out, that the Advance of Publick Credit, let it be to what Height it will, is a general Good to the Nation.

As to the Dispute about who shall get, and who shall lose by it, I take it to be little or nothing to the Purpose in the present Question. The publick Stock of the Nation is not a Farthing the more or the less for the Difference in the Price.

'Tis all among our selves: If Foreigners buy, they are sure to lose again when it fall; and as they must buy very high, if they buy now, so whenever it does fall (as some wise People say it must) all the Difference between what they bought at, and what they sell at, will be Gain to the Publick. I would not be understood ... to grant that it must necessarily fall again; nor do I see any Reason upon the settled Scheme of the South Sea Company, but that their Stock may be supported at the present, or at any other reasonable Price, as well as other Stocks have been according to the common Advances they have made.

Whatever any Company are able to divide upon their Stock; as long as they are able to support the Payment of such Dividend, without sinking their Capital, such Dividend, and for so long Time, is the certain Test of the Value of such Stock, and so long the Value may be supported. All the Calculations other Men make of the South Sea Company's Profits ... are really nothing in themselves, unless founded upon the Certainty of the Company's Capacity. If the Gain of the Company by the present Scheme, and by the Advance, which the Rise of their Stock puts into their Hands, shall enable them to divide 20 per Cent upon the Capital for Seven Years to come; which, I believe, may, and will be done for that, or a longer Term; ... then let the Foundation be what it will, the intrinsick Value of the Stock must be really worth so many Hundred Pounds, as an Annuity of 20 l. per Ann. is worth; ... And as the Interest of Money ought now to be calculated at 4 per Cent. the present Rate of Stock is far from being exorbitant. I cannot foresee so many Inconveniences from these high Dividends, as some angry Gentlemen suggest. If the Stock

were to be much higher ... it may at last go off without any of these fatal Consequences they seem to apprehend ... it cannot but put so many real and consequential Advances into the Company's Hands, as will always make them able to answer such a Dividend, as may support the Price.

It may pass for a Maxim, that as Money gets Credit, so Credit gets Money. The South Sea Company have certainly acquired a vast Stock of Credit, which must command a proportionable Flux of Money, and the Advances which such a Bank both of Credit and Cash cannot fail to make, must redound very much to the Service of the Publick upon any emergent Occasions; and will more than counter-balance the ill Use which some apprehend may be made of so extensive a Power." (93)

There is no mention here of any expectations of profits from foreign trade, and throughout Defoe discusses the Company purely as a financial corporation. Its original capital in 1711 of £9 million was larger than that of the next three largest joint-stocks, the Bank and the East Indian and the African companies, together and by the agreement with the government in 1720 its total assets were swollen to the huge figure of £42 million. (94) In the light of his previous remarks, (95) it is strange that Defoe did not see any danger in this huge concentration of financial power since there was no lack of comment on this issue. Steele had just pointed out that the Company was not to have "a Monopoly of Trade, but a Monopoly of Money," and that if the directors could be trusted with this, they would be "much better and honester Trustees than any others in the World." (96) Another pamphleteer wrote "where Riches

93. The Commentator, No. XXIX, 8 April, 1720.

94. W.R. Scott, op. cit. III, p. 296.

95. Supra, pp. 397, 492-493, 495-499.

96. Sir John Edgar (Sir R. Steele) The Theatre, No. XXIV, 22 March, 1720, No. XXVII, 2 April 1720.

are, there will be Power", and wished to see "the Prey" divided between the Company and the Bank to prevent the Exchequer being transferred into the City. (97) Hutcheson had at first favoured the Company, rather than the Bank because he had believed that such a large capital was more dangerous in an institution which could issue banknotes and thus had "a Power very like that of Coining Money." But as early as March 31st., he had warned that the Company would be able to swallow up both the Bank and the East India Company, "or as much of the Trade of Great Britain" as they wished. All future parliaments would be "only Grand Committees of that formidable Society" and the very constitution was in danger of being subverted. If the capital increased as anticipated to £500 per cent, it would be equal in value "to all the Lands of England at twenty Years Purchase." (98) It is possible that the prospect that the whole of the national debt would be extinguished by this rising fund of credit silenced any misgivings that Defoe might have had on this score.

As early as March 8, Steele had also accused the directors of buying up their own stock in order to advance its price, but this charge did not disturb Defoe. (99) Supposing, "for Argument's Sake," they had gained £2 million by this device, "Will any Man question then, but the South Sea Company are able to support a large Dividend out of Two Millions of Gain by their

97. (J. Milner) A Visit to the South Sea Company and the Bank ...
(1720) p. 21.
98. A. Hutcheson, "Some Calculations Relating to the Proposals",
March 31, 1720, reprinted in A Collection of Calculations ...
Relating to the South Sea Scheme and Stock (1720) p. 7.
99. The Theatre, No. XX.

Stock? But supposing ... they have not done so; Are there not a Million of Ways to those who have Forty Millions of Stock to support their Credit as a Company, to keep up the Price of their Stock, which is raised by that Credit? In short, the Credit will support the Dividends, which they shall resolve to make: Those Dividends on the other Hand will support the Credit; and there is no Probability of sinking the Stock." As for those who attacked the increase in the price of the stock, they were either those who had missed the chance to buy when it was lower or had sold it too soon and were "upon the Watch to buy in again," so that this was a kind of stock-jobbing, like alarming people by false news in order to depress the price. By maintaining that the bargain between the Company and the government was a reasonable one, he dismissed the further charge that they would not be able to persuade the annuitants to take up the stock because they would not give them a fair price, and so would "pay their Penalty to the Government", having enriched themselves in the interval by jobbing their stock. He thought that the Company would do their utmost to go through with it, but that if they withdrew, the recent "struggle between the Bank and the Company for the conversion showed that the Bank would do it and then "the Bank-stock would rise as high as the South Sea has risen." (100) Two months later, when the stock had reached 800, he ridiculed the constant charge "by some Old Women in Trade" that the eagerness to buy "South Sea" diverted money from trade, dismissing such a charge as a farce. ... when every one bought fine Cloaths: 100. The Commentator, No. XXIX, 8 April, 1720.

ing his own illustration of the complaint of "a grave Warehouse-
Keeper" that he had been unable to collect his debts on his
usual Saturday morning "dunning" as a plausible but false story.
The rise in "the South-Sea, and other solid Stocks" had not been
any detriment but rather "the Occasion of an inexpressible
Increase of Trade in several Articles." It was impossible for
an increase of wealth to ruin or lessen trade and, whether real
or imaginary, there was "at present a prodigious Increase of
Wealth," and as yet "no Losers to be heard of" for nothing had
sunk in value.

"It has been a usual Maxim among Tradesmen, that
when People grow rich, they always encrease their
Expenses! ... Why do the Shopkeepers and Tradesmen
depend so much upon the Magnificence and Expence of
the Court, and of the Nobility etc. against a Birth-
Night, but because publick Expence makes Trade sens-
sibly Revive?"

If it be true, ... and as I am far from thinking it
impossible, that there are Twenty Thousand Families
that have got Estates, by this new Turn of Affairs in
the City, How should it be possible that Trade should
suffer by it? Are not new Equipages, new Coaches,
new Furniture, new Cloaths, new Jewels, etc. the
natural Consequences of new-gotten Estates?"

He claimed that in his first tour of England, he had remarked
on the flourishing trade in "a considerable manufacturing Town
in the North" only to be told that they were "in a poor decay'd
Condition" compared with their good trade twenty years before.
Visiting the same town twenty years later, he heard exactly the
same comments and it was the same in other towns, "they never
acknowledge they have a good Trade, but always insist that they
had a good Trade a great while ago." Extending the parallel,
he announced, "in Time to come they will boast what a Trade they
had such and such a Year, ... when every one bought fine Cloaths;

1711. 1712. 1713. 1714. 1715.
1716. 1717. 1718. 1719. 1720.

and when such vast Estates were gained in the City by South-Sea Stock. Nothing is plainer, than that the Citizens and Shopkeepers of London have never had a better Trade, I mean as to Retail Trade, which in short is the Soul of all Trade, than on this extraordinary Occasion, for many Years past." (101)

In the middle of July, he was maintaining that this was "a Time of Great Britain's Prosperity and that her condition was "not only Superior to what it ever was before, but without Comparison Superior to the most flourishing Kingdom or Nation now in the World." This was true not only of its "Intrinsic Wealth" such as the value of its lands, growth and manufactures and its "real Stock in the solid Species of Wealth, (viz) Gold, Silver, and Jewels; and the Product of its Situation" by fisheries and shipping, but also of its "imaginary Wealth by Credit in Trade and publick Business, whether Personal or National." He admitted that the rise of the South Sea, which could be called "Mississippi's younger Sister," though "born of better Parents" and with "a better Portion to recommend her", had been "monstrous and surprizing" and it was also true that imagination gave "an additional Value to all Things of this Nature." Because "all publick Things" were affected by rumour, this sometimes shook off "some of the Exuberances of their Credit", but "while the Credit of the Publick stands firm, the Foundation of our Mississippi, the South-Sea, stands with it, and clings to it as an Intrinsic Value." (102) A week later, he was claiming that the credit of the South Sea stock was "out of the Power of Enemies

101. Ibid. No. XLIV, 3 June, 1720.

102. Ibid. No. LVII, 18 July, 1720.

to hurt either at Home or Abroad." "The only Mischief" which could be done to the Company was "to run the Stock up to a Rate too high, so as that it must necessarily fall precipitantly upon any sudden Turn of Affairs." At a time when the directors were encouraging the mounting fever of speculation by every possible device, (103) Defoe was writing, "Their Business is to bring themselves to a Capacity, to make a handsome Dividend, suitable to the advanc'd Rate of the Market, but they can never desire the Stock to rise higher, than that may support the Price by the Dividends they shall make." This capacity was the ability to create a large enough fund of credit to maintain regular high dividends and he believed that the Company could safely raise its stock to a price which would provide enough profit for this fund. Although he stated that the fund should "secure to every one for their Adventure," he ignored the poor return to the latest subscribers, to the proprietors of the redeemables and to the small number of annuitants who had delayed converting into the stock until July, if the price did not rise further, and he merely calculated the paper credit which was needed to maintain the recent 20 per cent dividend "either in Stock, or in a Proportion of Cash."

"First, if the Stock they have already created be cast up, and the Remainder they have in Bank to create, be calculated, it will appear, that the Money advanced upon the Stock Subscribed, the Money gain'd by the Annuities taken, and to be taken in, all put together, and the Money to be gain'd by new Subscriptions, all put together, will form a Fund of Interest, though reckon'd but at Four per Cent, which will abundantly answer all the Dividends that can be called for, upon the whole Two and Forty Millions of Capital Stock, though they were to be at Twenty per-Cent for ever."

Thus the Company needed to gain the huge sum of £210 million, which would provide, at 4 per cent interest, the required £8,400,000 each year to supply the 20 per cent dividend on the £42 million capital. He calculated that the Company had gained by the recent Third Subscription for stock, offered at 1000, 900 per cent on £3 million of stock, amounting to £27 million profit, "and may do the like by another three millions, and another, and another, when they please." (104) If the next subscription should be made, as had been suggested, at 1500, this would give a profit of £40.5 million on an equivalent £3 million worth of stock. Also the profit on the redeemables was likely to be £13½ million on a total of £15 million converted. Therefore, he was able to suggest that the Company would easily gain this "immense Sum," but on the basis of these recent or impending transactions he went further, asserting that they were not only able to pay 20 per cent, but above 34 per cent, for as long as they were able to obtain 4 per cent interest on their money. "Upon this Foot, ... the Stock not only may, but must come up to One Thousand Five Hundred per Cent. because ... it may be supported at that Price by its own Merit." (105)

Defoe ignored the fact that there now remained little debt to convert, as the holders of seven-eighths of the redeemable debt accepted the Company's terms, (106) and the so-called gains were only book entries. In the third money subscription for stock, the investor paid only 10 per cent initially, the second

104. Ibid., p. 320. Scott states that this third subscription on June 15 was for £5 million to produce a total of £50 million in five years.

105. The Commentator, No. LIX, 25 July, 1720.

106. J. Carswell, op. cit., p. 164.

call was not due for rather more than a year and the remaining eight instalments were to be spread over four more years. "Both the price and the sum total were impossible. To expect that 50 millions should be raised in five years, in addition to nine millions still to be called up on the earlier subscriptions and with the surplus stock expected to accrue from the approaching conversion of the redeemable debt still to be sold, was utterly ridiculous." Moreover, most of the money received by the directors was immediately lent out again to support the market. Between April and the end of June, they had lent £11¼ millions, which was more than had been paid up on the three money subscriptions, and nothing had been set aside to pay the sum due to the government for undertaking the conversion. (107) There was, of course, the 5 per cent interest due to the Company from the government until 1727 (4 per cent thereafter) on the £12 million worth of debt taken over and Defoe made the most of this:

"The Fund upon which the South-Sea Company is allow'd to increase their Capital Stock, is the undertaking to ingraft into their General Stock the publick Debts, and receiving from the Government a stated Interest, equivalent to the Principal of those Debts. Had there not been one Penny advanc'd upon the Credit of this Undertaking, in the Price of those Funds, that Interest would yet have been a solid Foundation, to have preserv'd the Adventurers from Shipwreck; so that the Risk they run, was upon a real Substance, not a Shadow. If the Advance of the Company's Credit, by the national View of these Things, enabled them to buy cheap, and to take in Fifteen Millions of this real Fund, for Two Millions of their real Stock, this is an Accident to the Case, and only serves to make the Foundation more solid, and enable them to answer all the Advance made upon the Price of their Stock; with suitable and proportioned Dividends; And so the higher the Stock rises, the richer the Company are, and the richer the Proprietors are, Because that Substance increases with their Advance of Price." (108)

107. W.R. Scott, *op. cit.*, pp. 320-321, 306. The sum due to the government was a minimum of £5 million and £7¼ million if all the debts were converted.
108. The Commentator, No. LXII, 5 August, 1720.

Why did such a shrewd observer as Defoe fail to see the flaws in the South Sea Company's scheme, when he attacked the lotteries of 1719 on the ground that they did not give the "adventurer" a reasonable return. (109) Admittedly he did not know what the directors were doing behind the scenes and he said that his calculations were based upon so much of the Company's affairs as appeared "without Doors." (110) Scott pointed out that the investor of 1720 did not know how the market was being manipulated and that he may have acted rationally, though too optimistically, from the data before him. (111) Half the Lords and more than half the Commons bought stock in June at 1000, at the height of the boom, (112) including so able a finance minister as Walpole who "saw no farther and no more clearly than most of his contemporaries" and was saved from considerable personal loss because his broker, Robert Jacombe, showed a better appreciation of the market. (113) Yet, other pamphleteers such as Steele, Hutcheson and Trenchard made detailed criticisms of the Company's various offers. (114) Defoe's constant concern for the public credit, as strong in 1720 as in 1710-11, may have caused him to support the Company, in the belief that any blow to its credit would produce the crisis which in fact followed. Alternatively, like Archbishop King, he may have decided that the great boon of the possible extinction

109. Supra, pp. 351-356.

110. The Commentator, No. LIX, 25 July, 1720.

111. W.R. Scott, op. cit., III, p. 304.

112. J. Carswell, op. cit., p. 160.

113. J.H. Plumb, Sir Robert Walpole: The Making of a Statesman (1956) pp. 306-309, 315-3

114. A. Hutcheson, op. cit., R. Steele "The Theatre" No. XXVII, 2 April, 1720; (J. Trenchard) A Comparison between the Proposals of the Bank and the South Sea Company (1720).

of the national debt outweighed any loss to individuals, (115) but all his comments suggest that he gave his support because of his enthusiastic approval for the principles of the whole operation. (116)

This, however, did not extend to the rival promotions which mushroomed in the capital from the very beginning of 1720. In his detestation of stock-jobbing and of that "Contemptible thing" "a meer Projector," (117) he did his best to ridicule the many fraudulent projects of this year of speculation. Thus he reported that £2 million had been taken in 5 shilling shares in "a certain Subscription to be made some time or other, they did not know when; to some certain Scheme or other, they did not know what; proposed by some Person or other they did not know who; for Insurance of Ships etc. they did not know how." (118) A method "of Melting down Carpenters Chips and Saw-Dust" enabled a projector to supply planks and boards, to any required dimensions, "free from Sap and Knots, ... grained, or not grained" and with "a secret Virtue which prevents their Shrinking, and destroys all Bugs and Vermin that come near them." (119) One reason for his attacks on the bubble mania was that he believed that retail shopkeepers, artisans and servants were particularly affected. "The Lunacy" caused by "the Bubble Infection", he reported, "has put a Stop to all Commerce, at least that we call Fair Trade; it has sent the Shopkeepers all from their

115. Quoted in W.R. Scott, *op. cit.*, I, p. 424.

116. *Infra*, pp. 541-552.

117. An Essay upon Projects, p. 33.

118. (Mist's) The Weekly Journal, 9 January, 1720.

119. Ibid, 27 February, 1720.

Business; we see none but Boys or Women, behind the Counters; the Men are all run a Bubble-Hunting, and being out of their Element, come Home like Cullies from the Sharpers, Bubbled and Beggar'd." (120) Even at the church or the meeting house, the conversation tended to turn to stocks, and even affected the ladies. (121) The day after the Bubble Act received the royal assent, he described the continuing "Land-Flood" of Bubbles as "a kind of City Tumult, or a Trade Rebellion" so that "either the Nation must suppress the Bubbles, or they must be allowed to Bubble the Nation." Like the great swarm of locusts which had appeared in Languedoc, "these Things devour our Trade, impoverish Tradesmen. The Dealers in Stocks Indeed, I mean the Capital Stocks, may increase and amass Wealth: And where the Estates increase, Expence increases; and this promotes Trade: But this Bubble hunting runs among a different sort of People; (viz) among Tradesmen and their Wives, by which it diverts them from their Business, impoverishes their Stock, starves their Trade, and ruins their Credit; and therefore it is pernicious and destructive to Trade in general, makes bad Husbands, bad Shopkeepers, and bad Pay-Masters." This "Bubble Riot" was not only "a Scandal to the City," but if it were allowed to continue, it would produce so many fraudulent contracts with such consequent litigation that it "would confound the very Nature of Buying and Selling." He drew another distinction between the Bubbles and the "Publick Capital Stocks, such as the Bank, East-India Company, South-Sea, and the like," claiming that these were brought "to a fix'd Rule of Practice" which put them "above all

120. The Commentator, No. XXXVI, 6 May, 1720.

121. Ibid., No. XXXVII, 9 May, 1720.

this Bubble Management

For whatever Jobbing and Buying there might be among the Brokers, and of what we thought we had Room to make a little Mirth sometimes with the Men; yet the Foundation that's good, there was a Substance in the Bargain, and when the Stock was transferred, there went a Value with the Price, so that the Agreement had a Foundation that was Honest.

But this new Trade is all Scandalous; the Seller is a Cheat, for he takes the Price, and delivers nothing; the Buyer is a Cheat, for he lets himself be cheated, on purpose to cheat another; and as he buys Air, so he sells a Bubble, and becomes a Party in promoting the Fraud. In a word, the whole Affair is a shameless Fraud, and ought to be suppress'd by the same Rule that just Governors suppress Gaming-Houses, that innocent People may not be drawn in, and undone." (122)

It was the next day that he estimated that the new bubbles set on foot in that one week, "each publicly advertised to exceed all the rest," amounted to £224 million (123) but a fortnight later he was claiming "a considerable Alteration" as a result of Parliament's action against the "Hubble Bubbles" with the "Small Coal Man" and the chimney sweeper returning to their usual occupations:

"You may now, at a Tavern, have a Mutton-Cutlet broil'd by Blousabella, the Kitchen Damsel, without being teaz'd with her Enquiries of what new Subscriptions are come out that Day. You may go to the Coffee-House, and call for a Dish of Tea or Coffee, and have it without Difficulty; whereas if you said, Jack give me a Dish of Bohea, he would presently say, - without taking Notice of what you call'd for, - Sir, will you buy a thousand Pound Stock in Rock Salt, or the Grand Fishery, - and so through all the rest. If you came not to his Price, the Blue Apron'd Dog would cry, Sir, I'll give you a thousand Pound a Share for as many as you will bring me, and so in proportion for every Bubble that was on foot. If you call'd a Porter to send him of an Errand, - tho' but to the End of the Poultry, - and offer'd him Six-pence for his pains, the Dog

122. Ibid, No. XVI, 10 June 1720.

123. (Mist's) The Weekly Journal, 11 June 1720.

would refuse to go, but at the same Time tell you that he could furnish such and such Stocks, at such Prices; ... The very Basket-Women, as fast as they could get Sixpence together, were setting up for Stock-Jobbers." (124)

Had not the temper of the time, more than in any previous age, made people only too ready "to be cheated and bubbled, it had been impossible such bare-fac'd naked Frauds could have been swallow'd," but in fact

"the Generality of Subscribers, Encouragers and Supporters of these Designs, have subscribed and come into them with their Eyes open, knowing them and believing them to be Cheats ... they have come into so much of the Cheat as they have seen, with a View to draw others into a farther Part of the Cheat which they may not have seen ... A has started a Project; you are a Knave, says B, and 'tis a damned Cheat; but I'll subscribe ... I will certainly sell. C comes in after B, and he says this Thing will certainly rise: ... and thus comes in D, E, F: and so on, by their general crying up the Bite, they bring in Numbers, and the Price rises of Course. And of all the Subscribers, not one Man has subscribed upon any other Principle, but a View of selling out again at a higher Price ..."

If honesty had still meant the same as it did formerly, honest men could not have embarked in these bubbles, but it now seemed as if men could "deal justly in their Shops and Counting-Houses, and turn Cheats and Pick-Pockets in Exchange Alley." (125)

"Promiscuous Knavery" was so essential to the very calling of an Exchange Alley man that he that was otherwise was "a lost Man." (126)

Yet in spite of Defoe's obvious familiarity with the course of the London stock market during that heady spring and summer

124. (Applebee's) Original Weekly Journal, 25 June, 1720.

125. The Consolidator, No. LI, 27 June, 1720.

126. Ibid., No. LXIX, 29 August, 1720.

of 1720, he still persisted in putting the South Sea Company on quite a different footing. He wished to bring the many remaining bubbles to the same test by which he had tried the South Sea Company "and found it valid."

"Can they support the Undertaking upon the Foundation of its own Product? Can they shew a Fund, upon which proportion'd Dividends may be made to the Adventurers; I say, proportion'd to the Money they advance, either in their first, or in any additional Subscription.

I must indeed object here against their following the Example of the South Sea Company, and raising a Fund, by selling out their own Stock, because they have not the same Fund to maintain the Reality of the very Stock they sell. The South Sea Company have a Power, by Act of Parliament, to create a certain Quantity of new Actions, or to increase their Capital Stock to a certain Degree."

The bubbles, however, were guilty of the same practices, without any such authority and without the foundation of regular interest payments from the state, because they were driven to force up the price of their stock "to lay up Money to pay a Dividend" although this was only "making some of their Adventurers pay Interest to the others," namely those who had just bought the stock. (127) This was of course equally true of the latest subscribers to the South Sea scheme. Having asserted that "a Man of just Principles, ought no more to be seen in Exchange Alley, as Exchange-Alley is going now, than at the Groom-Porter's, he was also compelled to draw a false distinction between the dealings in the stocks of the great corporations and the remaining transactions in Exchange Alley.

127. Ibid, No. LXII, 5 August, 1720. As the Act authorized the Company to issue stock at par with the debt incorporated into capital, it was able to issue additional stock as the price of its stock rose above par and a smaller quantity could be offered in exchange to the debt holders.

"It must be confess'd there is a Distinction to be made in what we call Jobbing; as particularly in the Capital Stocks, made substantial by Laws, and Acts of Parliament, by the bringing publick Securities into private Societies; honest Men are brought in, by the Consequence of their Loans to the Government, and purchasing publick Funds, to be interested in the Stocks of the Bank, East-India, South-Sea, etc. and these Men must and ought to be at Liberty to buy and sell, alienate and transfer their Property, in such Manner as their Affairs require. But ... this is neither dealing in Bears, nor Bulls; this is not giving or taking Money for Pars, and the Refusals; these are not the Merchants de Difference, these are no Jobbers, these are not Bubble-Mongers, or Bubble-Makers." (128)

A further reason for his condemnation of bubbles was his opposition to any sudden disturbance of the social order. Although he criticized the English gentry for their moral failings, lack of education, wasteful expenditure and even lack of martial ardour (129) and contrasted them unfavourably with the true-bred merchant who even outdid many of the nobility "in knowledge, in manners, in judgment of things" (130) he showed regret at the disappearance of an ancient name (131) and disclaimed any desire "to level Mankind ... and so make a meer Mob of the People." (132) Michael Shinagel has suggested that he was such an able champion of "the cause of the rising trading class of the nation in their bid for acceptance socially as well as economically and politically" because this was what he himself so passionately wanted and that this explains why he overreacted to reflections on his lack of education or gentility. (133)

128. Ibid, No. LXIX, 29 August, 1720.

129. A True Collection ... pp. 81-85, 288-300, A Hymn to Peace (1706) pp. 32-37; The Complete English Gentleman (1890) passim; Review, Vol. III (Nos. 8 and 9) pp. 29-34; Vol.V, (No. 101) p. 403.

130. Roxana (1724) II, p. 198.

131. Review, Vol. III (No. 17) pp. 66-67.

132. The Complete English Gentleman, p. 19.

133. M. Shinagel, Daniel Defoe and Middle-Class Gentility (Cambridge, Mass. 1968) pp. 81-84, 86, 96, 109-110, 121,

But while he welcomed the infiltration of the rising merchants and tradesmen into the ranks of the gentry and nobility (134) this should be their reward for their contribution to the expanding wealth of England and should be a gradual process. He was "willing to give up the first money getting wretch, who amass'd the estate ... the stock jobber, the Change Alley broker, the projector, or whatever low priz'd thing he was, may be allow'd to hang about him too much for the first age to give him so much as the shaddo' of a gentleman. Purse-proud, insolent, without manners, and too often without sence, he discovers his mechanick quallifications on all occasions; ... But ... the next age quite alters the case." (135) He also condemned the tradesman with "his long wig and sword" who aped the fashions and diversions of the gentry as "a Tradesman in masquerade" or "a piece of counterfeit money." (136) He had an ideal of nobility as "the Reward of Virtue, not the Reward of Money only, or of mercenary Principles, or of Party making" and dismissed Toland's proposal that some London tradesmen should be made peers as scandalous: "As if his Foreigners were not enough to stain the English Peerage with, but the House must be made up with other Mechanicks! Why could he not as well have proposed, that the Nobility should put their eldest Sons Apprentices to Merchants and Stockjobbers, as the Czar of Muscovy obliges his Noblemen to do, that so the House might no more want Lords that were proper Judges of

134. A Tour, I, pp. 15, 89-90, 100, 168-169. The Compleat English Tradesman, I, pp. 308-312.

135. The Complete English Gentleman, pp. 257-258.

136. The Compleat English Tradesman, I, pp. 117-118.

Commerce; and yet not be obliged to create them from the Benches of City Directors." (137) To Defoe, the sudden and haphazard reversals of fortune were one of the worst features of the bubble mania:

"Successful Rakes exert their Pride
And count their Airy Millions,
Whilst homely Drabs in Coaches ride,
Brought up to Town on Pillions.
Few Men, who follow Reason's Rules,
Grow fat with South-Sea Diet,
Young Rattles and unthinking Fools,
Are those that flourish by it
Old musty Jades and pushing Blades,
Who've least Consideration,
Grow Rich apace, whilst wiser Heads
Are struck with Admiration."

The Puritan tradesman was disturbed to see "the Wealth, the Inheritances of the Island... transferred to the meanest of the People... the Nobility, the Gentry, the Merchants... a Prey to the Idle, the Licentious, the Spendthrifts; Men whose Habitations were not known." (138) "How many Upstarts," he asked, "by their Success in Fraud, have acquir'd vast Estates? How many Beggars ride in Coaches? How many worthless Creatures are now exalted above their Neighbours?"

There's none is more perverse and proud than he
Who is to Wealth advanc'd from Beggary." (139)

That constant critic of the South Sea Company's dealings, Archibald Hutcheson, similarly complained that whereas in France the greatest gains had gone to the nobility and the princes,

137. An Argument Proving that the Design of Employing and Enobling Foreigners ... (1717) pp. 36, 98-99. This pamphlet and "A Farther Argument" attacked Toland's "The Anatomy of Great-Britain" on the ground that only English-born peers could have a due appreciation of freedom to fit them to act as a bulwark of the people's liberties and the final court of appeal.
138. Mercurius Politicus, September 1720, pp. 36-37, 39-40.
139. The Director, No. 1, 5 October 1720.

here "the lowest and meanest of the People" had gained more in a few months, "without any merit" than any British minister of state in any reign. (140)

Defoe still retained his early interest in improvements in trade and he admitted that projectors might be "not only useful, but even necessary to a Country, especially in a Time of National Incumbrances." (141) Exclusive grants of privileges were "useful for the necessary Encouragement of Industry, and of Application to Arts, new Inventions, new Discoveries and the like," but only if they did not "encroach upon the ordinary Course of Men's common Employments ... otherwise honest and fair Tradesmen will be in danger of being entirely supplanted in their Employments and Business, after they had by just Methods, and by Industry, Frugality and Application, made the greatest Progress in them for the Maintenance of their Families." (142) Therefore, the recent Bubble Act would "restore the Morality of Trade and make the Game of Jobbing be in Trade, like a Mountebank among Doctors, the Scandal of the Profession", for the "very Principles of Tradesmen" had been endangered and all trade had seemed liable to be turned into "Tricking and Cheating, Circumventing and Trepanning one another." (143)

Although it was announced on August 18, 1720, that application was to be made for writs of scire facias against them,

140. A. Hutcheson, "An Estimate of the Value of South Sea Stock ... The Second Postscript" "A Collection of Calculations and Remarks ... p. 90.
141. The Commentator, No. XXXVI, 6 May 1720.
142. Ibid, No. LI, 27 June 1720.
143. Ibid, No. LIII, 4 July 1720.

Defoe did not comment on the Case Billingsley promotions until September 5. This was in an issue of the "Commentator" where he claimed that because the public taste still ran after "Novelty in Business", he had been about to change its name to "The Bubble Journal." It would then be fitting

"to treat of Welch Copper, British Insurance, Grand Fishery, Temple Mills, York Buildings, and all the numerous Lists of Cheats and publick Pick-pocket Projects that now agitate the wise Heads of Exchange-Alley, and which are so truly distinguished by the laudable Title of Bubbles. Here then I might enter into a Vindication of the ordinary Method of doubling and quadrupling Shares, running Water-works into Annuities, and raising the Value of Things from 6 or 7 per Cent to 300 per Cent. Then I might plead with my utmost Skill for the greatest Cheats in the Town, explaining their Proceedings, and Insisting, that they had not broken in upon the true Intent and Meaning of their Charter, who in the Power of raising Thames Water Three Story high, had, no Question, a Power to raise a Bubble to 300 per Cent. For Bubble making in it self is a kind of Water-work in its Original."

Even at this date, although he reported the decline in the share prices of these rival promotions, he was silent on the heavy fall in the value of the South Sea shares from 880, before the news of the threatened action against the Billingsley companies' charters, to 750 and he still claimed that the Company "after all the Railing and Clamour of prejudiced Stock-wanting Malcontents, have confirm'd all that I took the Freedom to say of them and of their being able to support the Advances made in the Price of their Stock, having, even while I am writing this, voted to yield at least 30 per Cent. per Ann. upon the Capital Stock for Twelve Years to come." (144)

144. *Ibid.*, No. LXXI, 5 September 1720. J. Carswell, *op. cit.*, p. 178 says that the Court of Directors recommended, on 30 August, a dividend of 30 per cent for the current year and 50 per cent for the next ten years. Scott, III, p. 352 says 50 per cent for the next twelve years.

By the following year, indeed by November 11, 1720, Defoe was well aware that the use of the writ of scire facias had been the decisive blow against the credit of the South Sea Company, although it had been initiated by Blunt and his fellow directors and set in motion by the Southern Secretary of State, the younger Craggs, one of the four members of the Government most closely associated with the Company. (145) The investors in Billingsley's companies were obliged to sell their South Sea stock to meet their liabilities caused by the precipitate drop in their holdings in Welsh Copper, Lustrings and York Buildings below the margin at which they had borrowed from the bankers. (146) Defoe noted that these two results followed:

"1. This brought such a prodigious Quantity of Stock to Market that it was impossible Buyers should be found to take it off; which ... made Stock immediately fall; and which was still worse, 2. It check'd the adventurous Humour of the People, ... gave them a Shock, made them sick of Bubbles in general, and made them suggest that the South-Sea itself, ... might, some time or other, meet with a like Shock; and thus withdrawing universal from every Thing, the Catastrophe began." (147)

His immediate reaction, however, was to make every effort by his pen to reduce the shock to public credit and, bringing the "Commentator" to an end, he founded a new periodical, the "Director", which appeared twice a week from October 5, 1720 to the following January 16. In the last known number, he acknowledged that his object had been from the beginning "to calm the Minds of Men allarm'd by hot Spirits, and as much as may be to open their Eyes to the Advantages of the South-Sea

145. J. Carswell, *op. cit.*, pp. 100-115, 122-124, 171-175.
 146. W.R. Scott, *op. cit.*, I, p. 427.
 147. The Case of Mr Law, Truly Stated ... p. 23.

Scheme if rightly Manag'd." (148) The previous month, he had insisted that the directors had "manag'd the best Project in the World in the worst Manner that ever was known." (149) In thus attempting to separate the project from the management, in order to convince his readers that the scheme was basically sound, it was necessary to disavow any idea that he wrote at the bidding of the 24 self-styled directors, but who were "with as much Propriety of Speech, call'd Directors, as the Company out of whom they are chosen, call'd the South Sea Company, who never sent a Ship to the South-Sea, since they had a Being, as a Company, and we believe, never will." (150) To this same end, he published in "Applebee's Journal" a fictitious letter from "Gilbert South-Sea" asking him "rather to cover the Errors of Managers, which I do not deny, may be many, and may deserve to be expos'd; and turn your Hand to let People see, that ... whatever the Managers of the Company may have done, yet that the Stock has really an intrinsick Value, far above what the present Price reaches: And encourage our People therefore not to be so dispirited, as to sell their Stock in a Fright, which cost them so dear, for so base a Price as it now goes at." (151)

The only way to determine the real value of the stock was to let the directors and the public know Defoe's own estimate of this intrinsic value in the autumn of 1720 was 400, the price at which the Bank of England agreed on September 23 to transfer part of the debt due to it from the Government into South Sea stock, and which might have supported

148. The Director, No. XXX, 16 January 1721.

149. Ibid., No. XXIII, 19 December 1720.

150. Ibid., No. XV, 21 November 1720.

151. (Applebee's) Original Weekly Journal, 22 October 1720.

its price but for the failure of the Company's bankers, the Sword Blade Bank, on the following day, which caused a run on the Bank of England and prevented it from further immediate assistance to the Company. This was also the basis on which the third and fourth money subscriptions, originally at 1000 and the second subscription of annuities and the subscription of redeemables, at 800, were revised at the general meeting of the Company on September 29, which maintained the stock generally above the 200 mark until the middle of November, a figure which was not again reached until the last day of the year. (152) He published a pamphlet "without the Direction, Privity or Assistance of any Person whatsoever" soon after the above agreement with the Bank, calling upon any person who had any regard to the interest of his country "to exert himself in the Support of that Credit wherein no Briton can be unconcerned." He argued that the stock was being disposed of below its true value merely because of the wave of selling. If every landed proprietor should resolve to sell his estate, it would not be possible to find purchasers at three years purchase, "Though every Man at present would look upon an Estate at twenty Years Purchase, as a most extraordinary Bargain." The only way to determine the real value of the stock was by the dividends and he maintained that the Company was able to divide at the rate of 30 per cent for as many years as would "reimburse every Proprietor his full Principal and Interest for every Share purchased at that Rate." The profits to support such dividends arose from the stock already sold, that remaining to be disposed of and the loans

152. W.R. Scott, op. cit., III, pp. 327-331.

upon the stock. He asked Englishmen to consider where such interest was available on firm security as in Great Britain where public faith had been so inviolably maintained? "What greater Security", he continued, "can be desired, where all the public Funds are appropriated, the Interest, Wealth and Credit of the whole Nation is engaged to support, as it now is by the late happy and seasonable Agreement between the Bank of England and the South Sea Company?" (153) On October 17, he commented, "That the South-Sea Stock is not at 1000, or at 800 per Cent, there may be some Reasons given ... but that it should not be at 400 per Cent and much more, that it should be run down to 200, nay to PAR with its Original, this is all Madness and Confusion." As in the crisis of 1710-11, he warned the investing public against selling their stock at a loss to "wiser Foreigners" such as the Dutch and the French. When they saw the Company maintaining dividends which justified a valuation of 400 on its stock, they would no doubt buy them back again at that figure, or even at 500. Where were all the millions that had recently been "so lavishly subscrib'd to every Bubble?" Although money was scarce, "surely a Body might be found of a few Men, honest and able, who might make a Center for the Stock, when it runs below the PAR of its intrinsick Value, to rest upon, that so it might not fall into the Hands of Jews, Usurers and Foreigners; that we may not be stock-jobb'd out of our Fortunes, because we are a little frighted out of our Wits." (154) If there was no money to buy stock, there was "Stock to be kept: ...

153. The South Sea Scheme Examined: and the Reasonableness thereof Demonstrated (1720) pp. 1, 8-12, 14-15.

154. The Director, No. V, 17 October 1720.

But 'tis the frightened People that are the mad People, and they are the People that have done all the Mischief." It was incredible "that an Establishment built on Parliamentary Funds in the first Place, and back'd with voluntary Subscriptions in the next Place, whose Gains are every Day calculated already, to amount to near Eighty Millions, besides a Million of Et Ceteras, not yet reckon'd, should, at last, come to be worth Nothing." But, he reassured his readers, "the South Sea Stock is not vanish'd, ... the Substance is more valuable than the Price," adding the following typical conclusion:

"Those that can now KEEP their Stock will SAVE Estates
 Those that can now BUY Stock will GET Estates
 Those that now SELL their Stock will LOSE Estates." (155)

In July he had compared Law's extravagant schemes with the more solidly-based English company. That credit could "of it self go a great Way, when founded upon any popular System" had been demonstrated in France, where "a mere imaginary Credit" had risen to such a height, but "such a Credit, when the Tide of its Popularity feels a Reflux, can never stem the Stream of that Ebb; because it has no Anchor-hold, ... and must drive back by the same popular Force, by which it at first drove forwards." There was, however, the same difference between South Sea and Mississippi, that there was "between Standard Coin and counterfeit; ... between Substance and Vapour; between a real Beauty and a painted Whore; between something and nothing." Although there was the same danger that credit might be run down, even below its real value, it would revive because of its known foundation - "at the lowest Ebb of their Stock, we

always find Buyers, who depending upon the Reality of the Security, venture upon the Purchase, and really wait always for such Occasion." Therefore, companies like the South Sea, established "upon a solid Foundation of real Intrinsic Value, never fall far, and are sure to rise again soon." (156)

He claimed that the directors were not responsible for either the rising or the decline of the stocks, nor did he enquire what they had done with the money which they had received as he considered this part of their conduct irrelevant to the intrinsic value of the stock. (157) If there had been fraud, had it not been "as eagerly propagated without Doors as within? ... Were not the Mass of Proprietors the Jobbers of their own Fortunes? 'Tis evident the early Rise of the Stock was as much a Surprize to the Directors, as to the rest of the on-looking World, as they stood frighted and amaz'd for a while." (158)

A letter to "Friend App" from a fictitious Quaker, Jeremiah Dry Bones, suggested that the General Court were as guilty as the directors, "for have not these People said AMEN to all that the other have done?" (159) Another letter, a week later, ascribed "the Beginning of all the Bribery and Corruption" in the South Sea affair to the struggle between the Bank and the Company to gain the conversion. As this was a Tory newspaper, the supposed writer hinted that the directors might have been only "under Spur-Leathers" and that "other Recesses of dark Managements" might

156. The Commentator, No. LX, 29 July 1720.

157. The Director, No. VII, 24 October 1720.

158. Ibid., No. XXV, 30 December 1720.

159. (Applebee's) Original Weekly Journal, 4 February 1721.

be disclosed. (160) In an earlier issue Defoe had declared "I never understood that a furious Prosecution of Men, tho' they have made some Mistakes ... was really the Way to restore Credit in Trade." (161) He could not resist, however, reflecting on the Company's bankers, the Sword Blade Company, whom he had attacked in "The Anatomy of Exchange Alley." He described this company as "a mere Gaming Board, where three over grown Sharpers kept the Bench, and made it their Business, first, to draw Men-in to play, and when they were broke, then to lend them Money upon pawning their Estates to go on and play again, by which they ruin'd a great many petty Gamesters but at last blew up themselves." (162) He also attacked one of the least culpable of the South Sea directors, Sir Theodore Janssen, almost certainly because of his "immense Wealth" and because he was the author of "General Maxims in Trade" in 1713 - "What a Figure did this Man make, in opposing the late Treaty of Commerce with France, upon the pretended Plea of its being prejudicial to the Trade of Great Britain? And what Kind of Commerce has he been concern'd in here, to the Ruin of the Credit and Trade of Great Britain for his private Gain ...?" (163) The continued decline in the price of South Sea stock was further proof that the directors were not primarily responsible for the disaster. "Have the Directors done any thing to hurt us since they were turn'd out?" he demanded, "why then have we run our own Estates down by Clamour at others, and distrust of ourselves? Is our Stock the less worth because there are some Knaves that are not

160. Ibid., 11 February 1721.

161. Ibid., 7 January 1721.

162. The Director, No. IV, 14 October 1720.

163. (Applebee's) Original Weekly Journal, 28 June 1721.

yet punish'd? It is all a Piece of Jobbing Witchcraft that no Body can be blam'd for but ourselves." (164)

As in 1710-11, Defoe argued that the value of the stock was not the same as its market price because he believed that this was "too often in the Power of the most scandalous Sharpers in the Alley" (165) and was of course governed by the fluctuations of supply and demand.

"... if the Lands in England were all brought to Market to be sold, they wou'd not be Money to purchase or pay for them, and yet the Value of these Lands wou'd be not at all the worse. ... when the Number of Sellers exceed the Number of Buyers, the Price of what they have to sell will fall; and in all such Cases, the Rate of a Thing is not at all valu'd by the intrinsick Value, but by the Number of Buyers or Sellers, and the Difference of that Number

.....
Thus, in short, 'tis want of Money brings the Stock to be sold, and want of Money keeps away those that would buy: ... The Rate of the Stock at Market is rather a Test of the Price of Money, than of the Value of the Stock; when Money is dear, all sorts of Goods will be cheap; when Money is cheap, and Paper Coin current, Goods will bear a Price, ..." (166)

As at the time of the recoinage, "the current Cash of the Nation, is not sufficient to carry on the Negotiation of the Alley; the bubble Trade has impoverish'd Hundreds, I might say Thousands, ... and sends them to Market with their Stock faster than all the Volunteer Buyers can take it off; ..." (167) He also gave an example of one of the "Thousand Exigencies among Men of Trade" which caused them to sell stock. "If I have a Foreign Bill to pay to Day; that will be protested, and ruins my Reputation and perhaps do me Ten Thousand Pound Injury among my

164. *Ibid.*, 22 July 1721.

165. *The Director*, No. XXI, 12 December 1720.

166. *Ibid.*, No. XVI, 25 November 1720. Cf. *The South Sea Scheme Examin'd*, *Supra*, pp. 533, 542-543.

167. *Ibid.*, No. XIX, 5 December 1720.

Foreign Correspondents ... (I) must sell to-day or be undone." (168)

In "the greatest Crisis that Trade has suffer'd since the Memory of Man", Defoe was desperately searching for some way to restore the public credit. "Trade languishes because Credit is sunk; Credit is sunk, because the Estates of almost every Man concern'd in the Stocks are precarious; ... scarce a Man of Substance, in Trade or out of Trade but has receiv'd a Wound; and whose Wounds are mortal, and whose not, 'tis hard to know"

(169) He realized that it was necessary to reduce the inflated capital of the South Sea Company and although Walpole's plan that the East India Company and the Bank should each convert £9 million into their own funds was not announced to the Commons until December 21st, there must have been some earlier discussion of such a possibility for Defoe wrote, "If the two assisting Societies of Men, who they tell us are to be concern'd, will undertake to Circulate Twenty Millions of this Stock ... you will soon see the Face of Things change." (170) While everyone was looking for a solution to the crisis to the new session of Parliament on December 8, Defoe knew that it was basically a crisis of confidence in which "Men ruin themselves that they may not be ruin'd." (171) As "the Distempers of our Stocks" had arisen from "the Madness of the People", too much should not be expected from "the Parliamentary Physicians." (172) He

168. *Ibid.*, No. XX, 9 December 1720.

169. *Ibid.*, No. XVII, 28 November 1720.

170. *Ibid.*, No. XIX, 5 December 1720; J. Carswell, *op. cit.*, p. 213. W.R. Scott, *op. cit.*, III, p. 347 points out that the proposal was permissive and that the Bank only bought £4 million South Sea stock while the East India Company did not buy any.

171. *Ibid.*, No. IX, 31 October 1720.

172. *Ibid.*, No. VIII, 28 October 1720.

hoped that Parliament could find some way to assure future dividends by the Company, which should not be "subject to the fickle and frail Determinations of a General Court," (173) but it could not force credit. (174) Regular dividends would eventually raise the price of the stock, but this would not be a "present Cure." (175) Hence his repeated emphasis on the intrinsic value of the stock and he reminded his readers that deficient tallies had been engrafted into the Bank stock in 1697 at par, that is at their intrinsic value not at their market price. (176)

He protested strongly against the current valuations. At 200, he complained, "the South Sea Company is to be dissected, shown as a Skeleton, all Power of Improvement to be taken away from her, no Room given her to take the Benefit of the just Advances allow'd her by Law: But she must be rated according to the Value of her Bones like an old Man of War that is to be sold, ... to be broken up, and is worth just as much as the Timber and old Iron amounts to." (177) It was absurd to rate the South Sea stock as if the Company were about to be dissolved after less than a year since the inception of the conversion scheme. So far from the Company being at the end of their career, they were "but just at the Beginning." Such a valuation completely left out of account the Company's "fund of credit" which was such a vital addition to the intrinsic value of its stock.

173. *Ibid.*, No. IX, 31 October 1720.
 174. *Ibid.*, No. XVII, 28 November 1720.
 175. *Ibid.*, No. XIX, 5 December 1720.
 176. *Ibid.*, No. X, 4 November 1720.
 177. *Ibid.*, No. XIII, 14 November 1720.

"Why must they sell their Estates by an Appraisalment, as Creditors often do for a Bankrupt, for half their Value? The Company are Rising, at least they were so, and might still have been so, if they had been well us'd; and as their Fund is the greatest that ever was put into the Hands of any Society on Earth to manage, so their Management was equal in Proportion to the Substance; and this gave them a great Credit, which, in short, is in itself an intrinsic, and by Consequence, an additional Value.

"Tis a great Mistake, to say that the Credit of a great Undertaking is of no Value in the Estimate of the Stock; 'tis contrary to Practice in all Affairs of the World: No Stock was ever establish'd, where there was a View of a certain Advance, but that in the Prospect of a Share in that Advantage, People have always bid for a Share in the Property of the Adventure, and thought it just to do so; and 'tis no fair Objection to say, that the Stock of the Adventurer, will not, if the Adventure be thrown up, answer the advanc'd Price at Market:"

He cited the examples of the draining of the Fens, the salvage by Sir William Phipps of £200,000 of silver coins from a sunken Spanish ship and the old East India Company as enterprises which had been so successful that the value of the stock had been greatly increased. (178) It is not surprising that he ignored the fact that the South Sea Company, despite the provisions of its charter, had failed to employ its capital in fishing or in any profitable commercial or banking enterprise for, in his view, despite its apparent failure, the credit operation remained the essential part of the undertaking. Apart from the profits the Company might make

"by the Success of other Adventures which, 'tis well known, were within their Reach; yet this Part is certain, That by selling their Subscriptions at a high Price they were made able, on the

178. Defoe was greatly impressed by the amazing success of Phipps's unlikely venture. See Essay upon Projects, pp. 16-18. W.R. Scott, op. cit., II, pp. 484-486. In 1691 he was also secretary and treasurer of a company formed to exploit the diving engine invented by the Cornishman, Joseph Williams. J. Sutherland, op. cit., pp. 39-40.

Foot of clear Profits, to have establish'd a current Interest, for a Certainty of Years, equal to the highest Price they sold at: And from thence I say, that so much as the Interest they divided was equal to Yearly, so much their Stock was intrinsically worth, and that as justly, as a Diamond or Jewel is worth an immense Sum, because it will for ever sell for so much; ..."

Even at £1000 per cent, the stock "was no preposterous Thing at all, and might as well have been supported, and more to the publick Advantage with respect to Foreigners, as the Stock at 400." (179)

On a day when the stock was quoted at 210/218, a drop from 670 in two months, and was still falling, he maintained that it was "really and intrinsically advanc'd, and may be made as plain as the Nose on a Man's Face." He argued that it was really worth 550 and that as this figure had been reached in less than one year, it must have been doubled during the next twelve years, purely by the fund of credit: "Not that there can be any new Thing rise up equal to the Subscriptions of the Stock, on the single Foot of their Capital Stock; but they must suppose the Company much more impotent in the Article of Improving that Stock and making Use of the Advantage which they have in their Hands, than we have reason to believe of them, ..." He even claimed that the Company could have gone on dividing 30 per cent on its capital, every half year for twelve years, if the price of the stock had remained at 1000 and upwards and that those who had bought the stock at this price or under would not have lost on their investment if the Company had then been wound up "and there had not been One Shilling left, either Stock or Block, Principal or Interest." (180)

179. The Director, No. X., 7 November 1720.

180. Ibid, No. XI, 7 November 1720.

Towards the end of 1721, however, he added the proviso "had all the Money for which those Subscriptions were taken in, been either paid to them, (the directors) or secur'd to be paid to them," and added that this, "like Mr Law's new Millions of coin'd Stock," was beyond the cash and credit resources of the nation. "And this made the Directors, by a weak and scandalous Loan, part with all the Money and Paper they had, to the Tune of eleven Millions, to support the Circulations of Things in the Town; which ... could never have been paid; and which yet if they had not done, their Stock could not have held up its Head a Week together." Yet, if the Company had proposed a Fifth Subscription at 1200, it would have been subscribed, although the directors would again have been obliged to support the subscription, "and all the circulating Cash, and all the Paper Credit of the Nation must have been strain'd to the utmost." Finally, "after the Company had been thus possess'd of the whole Treasure of the Kingdom, if they had not found some way or other to have issued it out again every time a new Payment on those Subscriptions had been due, those Payments cou'd not have been made: ... like a Board of Play, when the Box has got all the Money of the Gamesters, if it does not think fit to lend it out to them again, the Game is at an End, they can play no more:" (181)

Although Defoe finally came to see that it was impossible to extinguish the national debt by the mere power of a fund of credit, his expansionist hopes for trade and the benefits which had already followed from the organization of the credit resources of the nation made him always liable to launch into some panegyric

on credit, even when South Sea stock had just fallen 44 per cent in seven weeks since its highest price of 1050 on June 24th. Previously it had not been known how far the power of public credit could extend but it had now "shewn it self almost omnipotent among us;

Had I taken upon me some Years ago to have said, that Publick Credit could have raised a Stock, not only an imaginary Stock as in France, but a real Stock, as in England, to 1000, to 1200, nay to 2000 per Cent above it self, with how much Contempt would such a Piece of Assurance have been treated? But we see daily the Miracles this Deity can work; ... 'tis like a Dream.

This publick Credit is the fundamental Support of all publick Business; there never was any Nation that ever arriv'd to any Degree of Power or Interest in the World without it; No People, ... could long support the Expence of a defensive War, much less of an offensive War, upon the immediate Receipt of Money in Specie; oftentimes more Money is wanted on such Occasions, nay many Times over, than the whole Kingdom could produce. Loans, Anticipations, and Advances from their Subjects, and all those other necessary Supplies, are called in for Help. And what are these, but Helps furnished upon the Foot of Credit?

.....
 She Coins Money; no Mint in the World can match her, and her Stamp is even Superior to that of Cesar himself; she can alter the very Species of Money, make Copper pass for Silver, and Trifles for Gold; she not only makes Paper pass for Money, but even Air, and sometimes nothing at all; she calls Things by what Name she pleases; and if she but passes her Word, a Broken Stick, or a Splinter of Wood, entitles you to as many Thousand Pounds as she pleases.

.....
 ... the same Credit that borrow'd for us without Funds, now pays for us without Cash; the Debts she had raised by her Breath, till the Weight of it look'd frightful ... behold by this the same Breath she wears it off again, and we pay as easy as we run in Debt.

.....
 ... Not the Silver Mines of Potosi; nor the Golden Rivers of Africa, or of the Andes; not the Spices of India; not the Silks of Persia and China; not all the Wealth of the World can equal her.

... Thus our Debts Vanish, our Estates Double, the Nature of our Wealth is alter'd: and by the Help of this one invisible Thing, call'd Credit, Wealth increases out of Poverty, and an exhausted Nation is made Rich, without the Addition of one Ounce, either of Silver or Gold: Imaginary Wealth is made equal to real, and all the Nations of Europe bring their Treasure hither, to purchase ... OUR NOTHING ..." (182)

It is easy to see why the South Sea scheme exercised such a hold on men's minds in the summer of 1720. Even in 1722, in a pamphlet urging the voters to return another Whig parliament, he recommended the outgoing ministry by their support of the South Sea project, despite the serious credit crisis through which the country had just passed. (183)

"If they form'd the happy South-Sea Scheme, ... opening a Door for the Company to pay all the Publick Debts; what though the South-Sea Directors (deficient in the Execution) drew the whole Kingdom into it as a Bubble, yet the first Scheme certainly deserves your favour, ... If they did verily believe that out of the Profits of the said Scheme, the South Sea Company might be enabled, without any Unjust or Exorbitant Gains, and without any violent and under-hand dealing, or dishonestly to make such Gain by it as that they should be able to Pay the Government Seven Millions out of their Profit, and yet to leave them selves enough to satisfy all their Proprietors, ... Can we do the Nation better Service than to commit the same Trust to them again. (184)

But his fundamental conservatism remained too. In November, 1721, he noted a design "for raising the Value of our Coin by forming a double Species, and sinking the Test, or

182. The Commentator, No. LXXII, 9 September 1720.

183. From 1717 Defoe had been emasculating the Tory newspapers, "Mercurius Politicus," Mist's "Weekly Journal", Applebee's "Original Weekly Journal" for the Whig ministry, but this further secret service does not seem to have coloured his views on the South Sea affair. See J. Sutherland, *op. cit.* pp. 214-226, J.R. Moore, Daniel Defoe, Citizen of the Modern World, pp. 210-211. From its inception, the South Sea Company had been regarded as a Tory rival to the Whig Bank, and it had the support of many Tory squires.

184. A Brief Debate upon the Dissolving the Late Parliament (1722) pp. 8-10.

Standard of the present Coin," but he likened the proposals of Mackworth for government paper money and of Charles Povey for a new coinage of one-fifth or one-tenth of the bullion content of the existing coinage to "a certain Sea Commander, who propos'd sinking the Ship to drown the Rats." (185) At the end of 1720, he had stated that "Lombard-Street Paper" ought never again to pass for money" in the prodigious Manner it had done during the recent months. (186) By 1727, when he published the second volume of his "Complete English Tradesman," he recalled a happier age when public credit instruments were but little developed and there was thus more credit available for the tradesman:

"In the good old days of Trade, in which our Forefathers plodded on, and got Estates too at, there were no Bubbles, no Stock-jobbing, no South-sea Infatuations, no Lotteries, no Funds, no Annuities, no Buying of Navy-Bills and publick Securities, no circulating Exchequer-Bills; in a word, Trade was a vast River, and all the Money in the Kingdom ran down to its mighty stream; the whole wealth of the Nation kept in its Channel, and there were no new Canals or Side-drains laid open to abate its waters, to divert its current, and to carry its stream off from the ordinary course.

Whereas now, half your Trading Manufacturers are Stock-jobbers, and half the stock of the Nation is diverted from the channel of Trade to run waste, as I may say, like a River without banks, to drown the flat country, and spoil the industry of the Plough and the Husbandman ...

In a word, Trade is limited, and straightn'd in abundance of articles, by the directing so vast a stock of ready Money from it, as our Stocks, and Banks, and Funds carry out of that ordinary course; and by the reducing paper Credit to a much narrower compass than it was formerly at." (187)

185. (Applebee's) Original Weekly Journal, 25 November 1721, (Sir Humphrey Mackworth) A Proposal for Paying off the Publick Debts ... (1720); Charles Povey, Brittain's Scheme to make a New Coin of Gold and Silver ... 1720.
186. The Director, No. XIX, 5 December, 1720.
187. The Complete English Tradesman, II, Part 2, Intro. pp. 7-9.