

A DISCOURSE OF TRADE

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The Preface

The greatness and riches of the United Provinces and states of Venice, considered with the little tract of ground that belongs to either of their territories, sufficiently demonstrate the great advantage and profit that trade brings to a nation.

And since the old ammunition and artillery of the Grecians and Romans are grown out of use, such as stones, bows, arrows, and battering rams, with other wooden engines, which were in all places easily procured or made. And the invention of gunpowder has introduced another sort of ammunition and artillery, whose materials are made of minerals, that are not to be found in all countries; such as iron, brass, lead, salt-peter, and brimstone, and therefore where they are wanting must be procured by traffic. Trade is now become as necessary to preserve governments as it is useful to make them rich.

And notwithstanding the great influence that trade now has in the support and welfare of states and kingdoms, yet there is nothing more unknown, or that men differ more in their sentiments, than about the true causes that raise and promote trade.

Livy and those ancient writers whose elevated genius set them upon the inquiries into the causes of the rise and fall of governments, have been very exact in describing the several forms of military discipline but take no notice of trade; and Machiavelli, a modern writer, and the best, though he lived in a government where the family of Medicis had advanced themselves to the sovereignty by their riches, acquired by merchandizing, does not mention trade as any way interested in the affairs of state.

Of Trade and the Stock, or Wares of Trade

Trade is the making and selling of one sort of goods for another. The making is called handy-craft trade and the maker an artificer. The selling is called merchandizing, and the seller a merchant: The artificer is called by several names from the sort of goods he makes. As a clothier, silk-weaver, shoe-maker, or hatter, etc. from making of cloth, silk, shoes, or hats; and the merchant is distinguished by the names of the country he deals to and is called Dutch, French, Spanish, or Turkey merchant.

The chief end or business of trade is to make a profitable bargain: In making of a bargain there are these things to be considered—the wares to be sold, the quantity and quality of those wares, the value or price of them, the money or credit by which the wares are bought, the interest that relates to the time of performing the bargain.

The stock and wares of all trades are the animals, vegetables, and minerals of the whole universe—whatsoever the land or sea produces. These wares may be divided into natural and artificial. Natural wares are those which are sold as nature produces them, as flesh, fish, and fruits, etc. Artificial wares are those which by art are changed into another form than nature gave them, as cloth, calicoes, and wrought silks, etc. which are made of wool, flax, cotton, and raw silks.

Both these sorts of wares are called the staple commodities of those countries where they chiefly abound or are made. There are different climates of the heavens, some very hot, some very cold, other temperate. These different climates produce different animals, vegetables, and minerals. The staples of the hot country are spices; the staples of the cold, furs; but the more temperate climates produce much the same sorts of commodities, but by difference of the quality or conveniency of place where they abound, they become the staple of each country where they are either best or easier acquired or exchanged. Thus, herrings and other fish are the staples of Holland; the Dutch living amongst the water, are most naturally inclined to fishing. English wool being the best in the world is the staple of England, for the same reason. Oils of Italy, fruits of Spain, wine of France, with several other sorts of commodities, are the staples of their several countries.

Staple commodities may be divided into native or foreign; the native staple is what each country does naturally and best produce; foreign staple, any foreign commodity which a country acquires by the sole trade to a foreign place, or sole possession of a particular art; as spices are the staple of Holland; and the making of glass and paper were the staple of Venice.

From the stock or wares of trade, these three things are observable:

1. The native staple of each country is the riches of the country, and is perpetual and never to be consumed; beasts of the earth, fowls of the air, and fishes of the sea naturally increase. There is every year a new spring and autumn, which produces a new stock of plants and fruits. And the minerals of the earth are in-exhaustible. And if the natural stock be infinite, the artificial stock that is made of the natural must be infinite, as woolen and linen cloth, calicoes, and wrought silk, which are made of flax, wool, cotton, and raw silks.

This shows a mistake of Mr. Munn in his *Discourse of Trade*, who commends parsimony, frugality, and sumptuary laws as the means to make a nation rich, and uses an argument from a simile. Supposing a man to have 1000£ per annum, and 2000£ in a chest, and spends yearly 1500£ per annum, he will in four years' time waste his 2000£. This is true of a person, but not of a nation because his estate is finite, but the stock of a nation infinite, and can never be consumed. For what is infinite can neither receive addition by parsimony nor suffer diminution by prodigality.

2. The native staple of each country is the foundation of its foreign trade. And no nation have any foreign commodities but what are at first brought in by the exchange of the native, for at the beginning of foreign trade, a nation has nothing else to exchange. The silver and gold from Spain; the silks from Turkey, oils from Italy, wine from France, and all other foreign goods are brought into England by the exchange of the English cloth, or some other staple of England.
3. That foreign staples are uncertain wealth. Some countries by the sole trade to another country, or by the sole possession of some arts, gain a staple of foreign commodities, which may be as profitable as the native so long as they enjoy the sole possession of that trade or art. But that is uncertain, for other nations find out the way of trading to the same place. The artists for advantage travel into other countries, and the arts are discovered. Thus Portugal had the sole trade of India; afterwards the Venetians got a great share of the trade, and now the Dutch and English have a greater share than both. The arts of making several sorts of silks were chiefly confined to Genoa and Naples; afterward traveled into France, since into England and Holland, and are now practiced there in as great perfection as they were in Italy. So have other arts wandered, as the making of looking-glasses from Venice into England, the making of paper from Venice into France and Holland....

Of the Use and Benefit of Trade

The use of trade is to make and provide things necessary or useful for the support, defense, ease, pleasure, and pomp of life. Thus the brewers, bakers, butchers, poulterers, cooks, with the apothecaries, surgeons, and their dependencies provide food and medicine for the support of life. The cutlers, gun-smiths, powder-makers, with their company of traders, make things for defense. the shoe-makers, saddlers, couch, and chair-makers, with abundance more for the ease of life. The perfumers, fiddlers, painters, and booksellers, and all those trades that make things to gratify the sense or delight the mind, promote pleasure. But those trades that are employed to express the pomp of life are infinite, for, besides those that adorn man's body, as the glover, hosier, hatter, seamstress, tailor, and many more, with those that make the materials to deck it; as clothier, silk-weaver, lace-maker, ribbon-weaver, with their assistance of drapers, mercers, and milliners, and a thousand more. Those trades that make the equipage for servants, trappings for horses, and those that build, furnish, and adorn houses are innumerable.

Thus busy man is employed, and it is for his own benefit; for by trade the natural stock of the country is improved, the wool and flax are made into cloth; the skins, into leather; and the wood, lead, iron, and tin wrought into thousand useful things. The over-plus of these wares not useful are transported by the merchants and exchanged for the wines, oils, spices, and every thing that is good of foreign countries. The trader has one share for his pains, and the land-lord the other for his rent. So that by trade, the inhabitants in general are not only well-fed, clothed, and lodged, but the richer sort are furnished with all things to promote the ease, pleasure and pomp of life. Whereas, in the same country, where there's no trade, the land-lords would have but coarse diet, coarser clothes, and worse lodgings; and nothing for the rent of their lands but the homage and attendance of their poor, bare-footed tenants, for they have nothing else to give.

Trade raises the rent of the land, for by the use of several sorts of improvements, the land yields a greater natural stock, by which the land-lord's share is the greater. And it is the same thing, whether his share be paid in money or goods; for the money must be laid out to buy such goods. Money is an imaginary value made by a law, for the conveniency of exchange. It is the natural stock that is the real value and rent of the land.

Another benefit of trade is that it does not only bring plenty, but has occasioned peace. For the northern nations, as they increased, were forced from the necessities of their climates to remove, and used to destroy and conquer the inhabitants of the warmer climates to make room for themselves. Thence was a proverb, *omne malum ab aquiline*. But those northern people being settled in trade, the land by their industry is made more fertile, and by the exchange of the nations' stock, for wines and spices of hotter climates, those countries become most habitable. And the inhabitants having warmer food, clothes, and lodgings, are better able to endure the extremities of their cold seasons. This seems to be the reason that for these seven or eight hundred years last past there has been no such invasions from the northern part of the world as used to destroy the inhabitants of the warmer countries. Besides, trade allows a better price for laborers than is paid for fighting. So it is become more the interest of mankind to live at home in peace than to seek their fortunes abroad by wars.

These are the benefits of trade, as they relate to mankind; those that relate to government, are many.

Trade increases the revenue of the government by providing an employ for the people. For every man that works, pays by those things which he eats and wears something to the government. Thus the excise and customs are raised, and the more every man earns, the more he consumes, and the king's revenue is the more increased.

This shows the way of determining those controversies about which sort of goods are most beneficial to the government by their making or importing. The sole difference is from the number of hands employed in making them; hence the importation of raw silk is more profitable to the government than gold or silver because there are more hands employed in the throwing and weaving of the first than there can be in working the latter.

Another benefit of trade is it is useful for the defense of the government; it provides the magazines of war. The guns, powder, and bullets are all made of minerals and are wrought by traders. Besides, those minerals are not to be had in all countries; the great stock of saltpeter is brought from the East Indies and therefore must be imported by the merchant for the exchange of the natives' stock.

The last benefit is that trade may be assistant to the enlarging of empire; and if an universal empire or dominion of very large extent can again be raised in the world, it seems more probable to be done by the help of trade, by the increase of ships at sea, than by arms at land. This is too large a subject to be here treated of, but the French king's seeming attempt to raise empire in Europe, being that common theme of men's discourse, has caused some short reflections which will appear by comparing the difficulty of the one with the probability of the other....

Of the Chief Causes that Promote Trade

The chief causes that promote trade, not to mention good government, peace, and situation, with other advantages, are industry in the poor and liberality in the rich. Liberality is the free usage of all those things that are made by the industry of the poor for the use of the body and mind; it relates chiefly to man's self, but does not hinder him from being liberal to others.

The two extremes to this virtue are prodigality and covetousness. Prodigality is a vice that is prejudicial to the man, but not to trade; it is living a pace, and spending that in a year that should last all his life. Covetousness is a vice, prejudicial both to man and trade. It starves the man and breaks the trader, and by the same way the covetous man thinks he grows rich, he grows poor. For by not consuming the goods that are provided for man's use, there arises a dead stock, called plenty, and the value of those goods fall and the covetous man's estates, whether in land or money, become less worth. And a conspiracy of the rich men to be covetous and not spend would be as dangerous to a trading state as a foreign war. For though they themselves get nothing by their covetousness, nor grow the richer, yet they would make the nation poor and the government great losers in the customs and excises that arises from expense.

Liberality ought chiefly to be exercised in an equal division of the expense amongst those things that relate to food, clothes, and lodging according to the portion, or station, that is allotted to every man, with some allowance for the more refined pleasures of the mind, with such distributions as may please both sects of philosophers, Platonist and Epicureans. The belly must not be starved to clothe the back-part.

Those expenses that most promote trade are in clothes and lodging. In adorning the body and the house there are a thousand traders employed in providing food. Belonging to clothes is fashion, which is the shape or form of apparel.

In some places it is fixed and certain, as all over Asia, and in Spain; but in France, England, and other places, the dress alters. Fashion or the alteration of dress is a great promoter of trade because it occasions the expense of clothes before the old ones are worn out. It is the spirit and life of trade; it makes a circulation, and gives a value by turns to all sorts of commodities; keeps the great body of trade in motion; it is an invention to dress a man, as if he lived in a

perpetual spring; he never sees the autumn of his clothes. The following of the fashion is a respect paid to the prince and his court by approving his choice in the shape of dress. It lies under an ill name amongst many grave and sober people, but without any just cause; for those that exclaim against the vanity of the new fashion and at the same time commend that decency of the old one forget that every old fashion was once new, and then the same argument might have been used against it. And if an Indian or stranger that never saw any person clothed before were to be judge of the controversy and were to determine upon seeing at the same time a well-dressed courtier in the new fashion and another in the old, which is accounted decent, and a third in the robes of an officer which by common esteem had a reverence, it will be two to one against any one of the grave fashions, for it's only use and custom by which habits become grave and decent, and not any particular conveniency in the shape. For if conveniency were the rule of commendation, whether the Spanish garb made strait to the body or the loose habit of the Turks were to be chosen? And therefore since all habits are equally handsome and hard to know which is most convenient; the promoting of new fashions ought to be encouraged because it provides a livelihood for a great part of mankind.

The next expense that chiefly promotes trade is building, which is natural to mankind, being the making of a nest or place for his birth, it is the most proper and visible distinction of riches and greatness, because the expenses are too great for mean persons to follow. It is a pleasure fit to entertain princes, for a magnificent structure does best represent the majesty of the person that lives in it, and is the most lasting and truest history of the greatness of his person.

Building is the chiefest promoter of trade; it employs a greater number of trades and people than feeding or clothing. The artificers that belong to building, such as bricklayers, carpenters, plasterers, etc. employ many hands. Those that make the materials for building, such as bricks, lime, tile, etc. employ more. And with those that furnish the houses, such as upholsterers, pewterers, etc. they are almost innumerable.

In Holland, where trade has made the inhabitants very rich, it is the care of the government to encourage the builder and at the charge of the state the grafts and streets are made. And at Amsterdam they have three times, at great expense, thrown down the walls of their city and drained the bogs to make room for the builder. For houses are the places where the artificers make their goods and merchants sell them, and without new houses, the trades and inhabitants could not increase.

Beside, there is another great advantage to trade. By enlarging of cities, the two beneficial expenses of clothing and lodging are increased. Man being naturally ambitious, the living together, occasion emulation, which is seen by out-vying one another in apparel, equipage, and furniture of the house, whereas if a man lived solitary alone, his chiefest expense, would be food. It is from this very custom, the gentry of France living in cities with the invention of fashion, that France, though a country no way fitted for trade, has so great a share of it. It is from fashion in clothes and living in cities that the king of France's revenues is so great, by which he is become troublesome to his neighbors and will always be so while he can preserve peace within his own country; by which those fountains of riches may run interrupted into his exchequer....

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