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The Economics of Employment in England, 1660-1713

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Meaning is the foundation of system in History.—LORD HALDANE'S
Meaning of Truth in History, p. 24 (Creighton Lecture, 1914).

I.

No period in English economic history has suffered more from the tendency of subjecting facts to a pre-conceived notion than has the Restoration period. Regarded by some as the period of neo-mercantilism, more recently by others as the period of incipient capitalism, the interrelation of ideas has not been analysed as an end in itself, before the final judgment has been passed. This process is the more to be deprecated inasmuch as both of the categories of thought under which the web of fact and argument has been subsumed are vague and capable of more than one construction.

The following paper is an attempt at a positive analysis of the system of thought of the half-century which lies between the Restoration of Charles II and the Treaty of Utrecht, as regards labour and labour problems. Only then will it be possible to attempt evaluation from an ideal standpoint.

II.

The basis of thought during the period was the desirability of a large population. It is a mistake to suppose, says Petty, "that the Greatness and Glory of a Prince lyeth rather in the extent of his Territory, than in the number and industry of his people, well united and governed."¹ "Fewness of People," he says elsewhere in the same work,² "is real poverty; and a Nation wherein are eight millions of people is more than twice as rich as the same scope of land wherein are but four; for the same Governors which are the great charge may serve near as well, for the greater as the lesser number." So Defoe, "I cannot but note how . . . the Glory, the Strength, the Riches, the Trade and all that's valuable in a Nation as to its figure in the world depends upon the number of

¹ Petty, *Treatise of Taxes*. Hull's Edition of Petty, Vol. I, p. 22.

² *Ibid.*, p. 34.

its People, be they never so mean or poor.”¹ People, argues Davenant, are “the most important strength of any Nation.”² Coke re-echoes Petty when he says that “It is not the greatness of the extent of a country which makes it formidable, but the number and well governing of the People.”³ This insistence on a large population was based on the conviction that a large population meant a large trade, that a small population implied a small trade. A large population consumed more than a small one, a small population produced less than a large one would. The assumption is, of course, a static one, it implies a limited rate of production and consumption *per capita*. But it was as wealth producers and consumers that people were demanded. It was in this twofold aspect that foreigners were to be welcomed. “Unless foreigners come in amongst us, in few years there will not be people to manure our lands, eat our provisions, wear our manufactures or manufacture the staple commodities that are of the growth of the Kingdom.”⁴ Here the twofold idea is very well put. The consumption idea is again prominent in Brewster.⁵ “The increase of hands in labour improves and increases manufactory, even of the very expence of them that are added: one man that works may have five or six that only eats and wears.” So again Coke,⁶ “Multitude and concourse of People advance trade, scarcity of people diminish trade.” . . . “As the strength and grandeur of every country is founded in the number of the inhabitants, so is the riches and trade of it, for every man’s necessities are supplied by trade, so that . . . in the whole, trade is increased . . . as men live more or less on Society and Conversation; and therefore, wherever people are thin or few, they are poor, lazy, rude and of little use to the publick.”⁷

The logical conclusion of this line of thought was obviously that, whatever the moral quality of demand, the volume of production depended upon it. “The main spur to Trade, or rather to industry and ingenuity, is the exorbitant appetite of men, which they will take pains to gratify and so be disposed to work, when nothing else will incline them to it; for did men content themselves with the bare necessaries, we should have a poor world, . . . now in their pursuit of those appetites, other men less exorbitant are benefited. . . . Countries which have sumptuary Laws are generally poor; for when men by those Laws are confined to narrower expence than otherwise they would be, they are at the same time discouraged from the industry and ingenuity which they would have employed

¹ Defoe, *Giving Aims no Charity*, 1704, in *Genuine Works*, Vol. II, p. 428.

² Davenant, *Discourses on the Public Revenues and on the Trade of England*, Dis. III, Vol. II, p. 2. Edition of 1771.

³ Roger Coke, *Reflections upon the East India and Royal African Companies*, 1695. 1029, e. 106.

⁴ *The Grand Concern of England explained in several proposals offered to the Consideration of Parliament*, 1673. Harl. Miscell., Vol. VIII, p. 555.

⁵ *Essays on Trade and Navigation*, 1695, p. 8. (For Brewster, see *D.N.B.*)

⁶ Coke, *Discourse of Trade*. Pt. I: Reasons of the decay of the English Trade, 1029, e. 10.

⁷ Coke, *Reflections*, etc., p. 15.

in obtaining wherewithal to support them in the full latitude of expence they desire."¹

Defoe puts the matter even more clearly in *The Compleat English Tradesman*.² "Trade is propagated by our crimes, the people support one another by their extravagance and luxury, their Gaiety and Pride : gluttony and drunkenness assist to maintain the Nation, the people grow rich by the people, they support one another ; the Taylor, the Draper, the Mercer, the Coach-maker, etc., and their servants, all haunt the public houses ; the masters to the taverns, the servants to the ale-houses, and thus the vintner and the victualler thrive and grow rich. Those again getting before hand in the world must have fine clothes, fine houses and fine furniture ; their lives grow gay, as the Husbands grow rich and they go on to the Draper, the Mercer, the Taylor, the Upholsterer, etc., to buy fine clothes and nice goods ; Thus the Draper and Mercer and Taylor grow rich too, money begets money, trade circulates and the tide of money flows in with it, one hand washes the other hand, and both hands wash the face."³ Even by the Balance of Trade fanatics the consumption of "friperies" is condoned if the labour that goes to make them is English labour.⁴ The tendency to regard all consumption as productive should have been strengthened by the assumption that the total wealth of the community was neither increased nor diminished by payments from one subject to another in the realm—an assumption derived partly, at any rate, from the current theory of the Balance of Trade, for, runs Davenant's argument, "by what is consumed at home, one loseth only what another gets and the nation in general is not all the richer."⁵ It ought to have been seen that neither was it poorer, but unfortunately the assumption that by foreign trade the wealth of the nation was actually increased in a way the home trade was unable to bring about led to a distinction being drawn between trade and labour useful for producing articles for foreign trade, and trade only serving

¹ Dudley North, *Discourse upon Trade*, 1691. *Johns Hopkins Reprints*, p. 27. Davenant, though holding that "thrift does proportionately enrich a whole people, as it betters the condition of a private man," still gives a qualified assent ; "perhaps it is not impossible but that our industry would be less active if it were not awakened and incited by some irregular appetites which are more easily found fault with than avowed."—*Discourse*, Vol. I, p. 390.

² So far as I am aware no English writer has noticed the bearing of this passage on Mandeville's *Fable of the Bees*. Professor Sombart has used the passage in his *Der Bourgeois* (1913).

³ p. 118, cf. : "It may indeed be true that the Increase of Crime is the increase of Commerce and the wickedness of the time is the blessing of the Trade, the Vanity, the luxury, the folly, and even the vice of the People is the cause of that increase . . ." (p. 147).

⁴ Samuel Fortrey, *England's Interest and Improvement*, 1663 : "That the excess of this expence consist chiefly in the art, manufacture and workmanship of the commodity made in our own country ; whereby ingenuity would be encouraged, the people employed and our treasure kept at home, so as the Prince would be nothing damaged by the excess for the ruine of one would raise as much on other of his subjects." *Johns Hopkins Reprints*, p. 27. See also Cunningham, *Growth*, etc., *Modern Times*, p. 392. Dr. Cunningham seems to me to be mistaken in assuming the truth of J. S. Mill's dictum, "demand for goods is not demand for labour."

⁵ *An Essay on the East India Trade*, Works, Vol. I, p. 103.

to satisfy the "unproductive" home consumption.¹ At the same time the benefit of a large consumption at home still remained in the background of consciousness; this being justified on the line of argument that if there was to be consumption at home, home production was preferable to the importation of foreign goods, on which the nation lost positively.

Nevertheless, the resulting confusion as to what was, or was not, beneficial consumption did not interfere with the desirability of population as a factor of production. It tended, however, to make the phrase "increase of population" synonymous with "increase of workers in those industries which are desirable." So in the assertion "There is nothing so much wanting in England as people: and of all sorts of people, the industrious and laborious sort, and handicraftsmen are wanted to till and improve our land and help to manufacture the staple commodities of the Kingdom: which would add greatly to the riches thereof."² 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.

Now a working population could be drawn either from foreign countries or from the inhabitants of this country, and both possibilities led to a mass of proposals. The first possibility led to the inclusion among the proposals of the economists of the day, of the naturalization of foreigners.³ The second possibility led to a double examination of tendencies, (1) as to the tendency of plantations unduly to depopulate the Mother Country, (2) as to the tendency of the current methods of relieving the poor to withdraw men from the Labour Market.

1. Opinion was decidedly divided on the advisability of allowing emigration to the plantations. Coke argued roundly that "the Trade of England and the Fishing Trade are so much diminished,

¹ Fortrey: "Our case should therefore be to increase chiefly those things which are of least charge at home, and greatest value abroad," *loc. cit.*, p. 19. Davenant: "It is the interest of all trading nations whatsoever that their home consumption should be little, of a cheap and foreign growth and their own manufactures should be sold at the highest market and sold abroad; since by what is consumed at home, one loseth only what another gets, and the nation in general is not at all the richer, but all foreign consumption is a clear and certain profit. So that in the woollen manufacture England does not get by what is spent here by the people, but by what is sold abroad in other countries," thus leading him to justify the importation of East India goods, *op. cit.*, I, 103; cf. also Child, *A New Discourse of Trade*: "I do agree fully . . . that luxury and prodigality are as well prejudicial to Kingdoms as to Private Families, and that the expence of Foreign commodities especially foreign manufactures is the worst expence a nation can be inclined to, and ought to be prevented as much as possible." (Preface.) "We are not half so much given to Hospitality and good House-keeping as in former days, when our greatest expence was upon our Bellies, the most destructive Consumption that can happen to a nation," *ibid.* 57. Also Brewster, *op. cit.*, ". . . there is a receiv'd opinion to be removed and that is, that expence of the Labour and Products of a Country is the support of the Artizans and brings Riches to men of Real Estates" (p. 50).

² *Grand Concern*, p. 555.

³ Child, *Discourse* (141-5) argues for the naturalization of Jews in a manner which shows the suspicion of them entertained by the merchants of the day. Roger Coke was in advance of the majority of the writers of the day in desiring the immigration of Roman Catholic artificers.

by how much they might have been supplied by those men who are diverted in our American plantations.”¹ Child argues that although a loss of population is in general undesirable, yet that the settlers of our North American plantations, being largely malcontents with the state of affairs in England, would have been lost in any case, whilst they serve a useful purpose in the Plantations by employing English shipping and taking English goods.² Davenant³ argues on the same lines, suggesting at the same time that England should be made a “General Asylum” and—then “our own malcontents may retire without any prejudice: for the recruits of people such a course might produce, would answer the annual evacuation occasioned by our West India Colonies.”⁴

2. The unanimous opinion of the writers of the time was that the poor-law of Elizabeth tended to reduce the available supply of labour, a result also produced by indiscriminate charity. The writer of the *Grand Concern* argues that the cost of the poor is £70,000 a month and this is “employed only to maintain idle Persons: doth great hurt rather than good: makes a world of poor, more than otherwise would be, prevents industry and laboriousness: men and women growing so idle and proud, that they will not work, but lie upon the parish wherein they dwell for maintenance.”⁵ The Poor Law is “a thing most piously designed: yet proving an encouragement to thievery and idleness, a charge to the industrious inhabitants of every Parish and an injury to the whole Nation.”⁶ So Brewster, “There is no Nation I ever heard of, who by a Compulsory Law, raiseth so much money for the Poor as England doth . . . our Charity is become a Nuisance, and may be thought the greatest mistake of that Blessed Reign, in which that Law passed, which is the idle and impoverished man’s Charter: for if Shame or Fear of Punishment makes him Earn his Dayly Bread he will do no more, his Children are the Charge of the Parish and his Old Age his Recess from Labour or Care: he makes no Provision for it in the time of his Youth and Strength, because he hath better Security for his Maintenance than money of his own laying up.”⁷ So also Cary, Davenant and others.⁸

¹ *Discourse of Trade*, Pt. I, p. 7.

² *Discourse*, ch. x, Concerning Plantations: The first settlers of Virginia and Barbadoes were such as “could probably never have lived at home to do service for their Country but must have come to be hanged or starved or aged untimely by some of those miserable Diseases that proceed from want or vice, or else have sold themselves for soldiers . . . in the Quarrels of our Neighbours” (184).

³ *Works*, Vol. II, on the Plantation Trade, p. 5.

⁴ *Ibid.*, p. 6.

⁵ He goes on: “But, if . . . the money collected were employed to set all of them that are able to work to some kind of employment or other, suitable to their capacities . . . it would be of infinite use and advantage to the Nation.”

⁶ *Reasons for a Limited Exportation of Wool*, p. 12.

⁷ *Loc. cit.*, p. 59.

⁸ Cary, p. 157: “But above all our Laws to put the Poor at work are short and defective, tending rather to maintain them so, than to raise them to a better way of living.” “The Laws render the Poor more bold, when they know the Parish Officers are bound either to provide them work or give them maintenance.” Davenant, cf. *Essay on E.I. Trade*, Vol. I, p. 100. Also *The Trade of England Revived*, 1681: “The poor addict themselves to idleness and pilfering because they know that if they come to want the Parish is bound to keep them.”

Insistence on this point marks the breakdown of the view that a large population is desirable because of its possible consuming power. Defoe's eulogy of the People "be they never so mean or poor," evidently is not to be taken in its literal sense, but refers to the productive power capable of being exerted by a large working population. Brewster's artifice is to be relieved "of the five or six that only eats and wears" in order that the supply of labour may be *pro tanto* increased.

III.

The view that the nation only "gained" by production for a foreign market (and the qualified assent given to production for home use) supplied the reason for insisting on a large working population. For to achieve success in trade it was necessary to produce cheaper than one's rivals, and the larger the supply of labour, the lower were the wages that need be paid. Hence a large population was not merely desirable as furnishing the requisite labour power, but it also enabled that power to be obtained on cheaper terms. The lower the wage the more trade would be stimulated. The admission of aliens and the reform of the poor-law could both be directed to this end. The logical consequence of this was that if all labour could thus be employed in industry, there would be no need for a poor-law at all. The desirability of dispensing with the poor-law thus led to a further argument that all impediments to the employment of as much labour as possible should be avoided.

It would seem that the theory of wages thus set up was the "Supply and Demand" one. This, however, ran counter to another theory of wages current at the time, i.e., that wages depended on the cost of food.¹ The discussion of the commercial clauses of the treaty of 1713 especially is full of reference to this conception. "Wages in France were never above two-thirds of those that were always given for the like labour in England. This in all probability is owing to the meaner way of living in that Country. Labouring People seldom have any other Ambition than to live and save nothing. Therefore if the yearly Subsistence of such Persons in France is purchased by two-thirds of the Price that is given for the Subsistence of like Persons in England, this will very well account for their receiving no more than the two-thirds of the English wages. And from hence it appears that the French refugees, when they came first to settle here, perpetually undersold the English, till they raised themselves by degrees to our Country Diet."² Thus also Davenant:³ "The additional duties on beer and ale and the tax upon malt are apparently a burthen upon the woollen manufactures, affecting the carder,

¹ The origin of this theory seems to be due (1) to the comparison between the desirable and the actual, (2) to the Elizabethan Labour Code raising or lowering wages according to the plenty or scarcity of the times.

² *The Consequences of a Law for Reducing the Dutys upon French Wines, etc.*, 1713, p. 6, 1029 e. 9/5; also *General Maxims in Trade, Particularly applied to the Commerce between Great Britain and France*, 1029 e. 9/6, p. 10.

³ *An Essay upon the Probable Methods of making a People Gainers in the Balance of Trade*, 1699, Works, Vol. II, p. 267.

spinner, weaver and the dyer, who all of them must be raised in their wages, when the necessities of life are raised to them. The consequence of which must be that our woollen goods must come at a heavy and disadvantageous price into the foreign markets." The Irish Cattle Acts were constantly attacked on the grounds that by lowering the cost of provisions in Ireland, they allowed the Irish woollen industry to compete successfully with the English.¹

It was possible to reconcile these two positions in several ways :

1. It was possible to deny the fact that wages moved as the price of food moved. Thus Petty² argued that "It is observed by Clothiers and others, who employ Great numbers of people, that when Corn is extremely plentiful that the Labour of the poor is proportionately dear : And scarce to be had at all (So licentious are they who labour only to eat or rather to drink)." So also Child : "And for our own Poor in *England* it is observed, That they live better in the dearest Counties for provisions, than in the cheapest, and better in a dear year than in a cheap . . . for that in a cheap year they will not work above two days in a week : their humour being such, that they will not provide for a hard time, but just work so much and no more, as may maintain them in that mean condition to which they have been accustomed."³

2. It was also possible to argue that as the price of commodities was increased by a rise in wages, so lower wages meant lower food prices and therefore wages in industry could be lowered. This was Defoe's argument. "If wages grow high, Provisions rise in Proportion, and I conceive it to be a mistake in those People . . . who say Labour is cheap . . . because Provisions are cheap, but 'tis plain Provisions are cheap because Labour is cheap."⁴ He therefore drew the conclusion that wages, though they affect the price of commodities, were themselves determined purely by supply and demand : wages rise and fall like the Exchange.

3. It was lastly possible to argue that though in the last resort wages moved with the cost of food, yet that in practice the standard of comfort was so high that actual wages were in excess of that minimum subsistence level, or at any rate that they should be no higher. Petty⁵ argues that it is impossible to "raise" the value of

¹ *Grand Concern*, 558. *Reasons for a Limited Export of Wool*, p. 14. *The Proverb Crossed or a New Paradox Maintained, That it is not at all times true, that Interest cannot lye*, 1677. Both Tracts in Collection of Tracts on Wool, 712, g. 16.

² *Political Arithmetic*, Hull's Edition, Vol. I, p. 274.

³ Child, *loc. cit.*, pp. 15, 16. Coke expressly argues against the Poor Law : "It is a discouragement to all industrious and labouring people, when lazy and idle people shall be maintained in their idleness from the fruits of their labour and industry. It encourages wilful and evil-disposed persons to impose what wages they please upon their labours : and herein they are so refractory to Reason and the Benefit of the Nation that when Corn and Provisions are cheap they will not work for less wages than when they were dear.

⁴ "The Employers are the Remitters, the Workmen are the Drawers ; if there are more Employers than Workmen, the price of wages must rise, because the Poor man wants to do it ; if there are more Workmen than Employers, the price of Labour falls, because the Poor man wants his Wages more than the Employer wants to have his Business done," *loc. cit.*

⁵ Petty, *Treatise of Taxes*, p. 87, Hull's Edition, Vol. I.

money and forbid wages from rising at the same time, for then "would this Act be onely as a Tax upon the said Labourers, as forcing them to lose a half their Wages which would not onely be injurious but impossible unless they could live with the said half (which is not to be supposed) for then the Law that appoints such wages were ill-made, *which should allow the Labourer but just where-withal to live*; for if you allow double, then he works but half so much as he could have done and otherwise would which is a loss to the Publick of the fruit of so much Labour." However, whether the theories were reconciled or not, there is no doubt about the practical anxiety displayed as to the necessity of low wages.

First, as to the influence of foreigners. Child argues that high wages are due to Incorporation "whereof the cure is mainly by an Act of Naturalization and without Compulsory Laws."¹ Brewster, arguing for the admission of foreigners, declares that "it is undeniable that if the Increase of Hands abates the Price of Manufactorys, it will enlarge their Exports and Expence at home."² So as regards the effect of charity: the cost of production in England is not high "because Provision is dearer in England than it is in other Countreys," but because "Begging is suffered so Rife in this Kingdom. Now if this Begging Trade be not suppressed, there will never be any good done either upon the Clothing Trade or any other."³ By setting the parish poor to work,⁴ they will "help to manufacture the staple commodities of the Kingdom at cheap rates and thereby bring down the wages of handicraftsmen, which now are grown so high, that we have lost the trade of foreign consumption. . . . This mischief of high wages to handicraftsmen is occasioned by reason of the idleness of so vast a number of people in England as these are: so that those that are industrious and will work make men pay what they please for their wages: but set the poor at work and then these men will be forced to lower their rates: whereby we shall quickly come to sell as cheap as foreigners do and consequently ingross the trade to ourselves." Paterson, demanding a Council of Trade for Scotland, fiercely denounces "a third sort of thieves, which is that idle and dissolute people called beggars, for although they be somewhat more tame and familiar with us, yet are they really but another sort of thieves," and demands government control of industries to eradicate the trouble, slavery not being efficacious "as in such a case only the

¹ Child, Preface to *Discourse*.

² *Loc. cit.*, p. 9.

³ *The Trade of England Reviv'd*, 712, g. 16, 1681, p. 10. The tract argues a similar charge against the Poor Law.

⁴ *Grand Concern*. The advocates of the Woollen Trade disliked the introduction of other industries on the ground that this tended to raise wages. Thus W. Carter, in 1700, argues against the introduction of the Linen Trade, since it may "injure that of the woollen by diverting some that are now in it and so raise the price of spinning: than which nothing can be more prejudicial: for . . . nothing can retrieve our lost trade abroad, but underselling our competitors; so then we must labour to make wares as cheap as we can and not set up another manufactory. To bid who gives most for spinners is a ready way to ruin the Clothing Trade of England." *An Alarm to England, To Prevent its Destruction*, 1029, e. 9/23.

strongest and ablest of them would be taken up by particular men . . . so that the evil might thereby be somewhat lessened and abated but far enough from being rooted out.”¹

This attitude of mind had two distinct and dangerous consequences. Firstly, resentment against the high wages paid to the “independent labourer” and resentment against the good living guaranteed by the poor-law led to the identification of the two aspects of the question and made the problem one of low wages. “To employ the poor” in industry and to employ the poor in a work-house began to be regarded as the same problem, because the latter seemed to be an aid to the former. If the work-house labourer was to work in order to bring down the wages of the “industrious” worker, he incidentally brought down his own remuneration and thus identification seemed plausible. On the other hand, just because of this identification, it seemed plausible to argue that this or that industry ought to be begun at the expense of the parish or the county rates, since this policy would increase the total amount produced, and yet lessen throughout industry the rate of wages.²

¹ Saxe-Bannister's Edition of the Writings of William Paterson, 1859. *Proposals and Reasons for Constituting a Council of Trade*, p. 92 (12268, d. 2).

² Some few writers do not think high wages disadvantageous. Child, in the Preface to the *New Discourse*, discusses the matter and decides that high wages are not a disadvantage to trade since (1) the Dutch pay higher wages than the English and (2) High Wages are a sign of the Riches of a Country, low wages an indication of poverty. More interesting are the views of Cary and Sir Dudley North. Cary argues (1) “that we must consider that Wages must bear a Rate in all Nations according to the Prices of Provisions . . . and this price must arise from the Rates of Land, it cannot be imagined that the Farmer whose annual Rent is Twenty Shillings per Acre can afford it as low as he who pays but Half-a-Crown, and hath the same Cropp, nor can he then expect labour so cheap as the other. This is the case of England, whose Lands yielding great Rents require good prices for their Product . . . you cannot fall wages unless you fall Product, and if you fall Product you necessarily fall Land” (*op. cit.* 144/5); (2) Experience shows that high wages can be paid and this “proceeds from the Ingenuity of the Manufacturer and the Improvements he makes in his ways of working. . . . Various methods are used all which save the Labour of many Hands so the Wages of those employed need not be lessened” (146). He adds: “New Projections are every day set on foot to render the making our Manufactures easie, which are made cheap by the Heads of the Manufactures, not by falling the price of Poor People's labour: cheapness creates Expence, and Expence gives fresh Employments, so the Poor need not stand idle if they could be perswaded to work” (147). He thus arrives at the same conclusion but by a different route.

Sir Dudley North argues that the importation of East India goods will not lower wages, since it may lead to the introduction of improvements which lessen the total cost of manufactures and therefore lower prices while leaving wages as high as they were before. “Arts and Mills and Engines, which save the labour of hands, are ways of doing things with less labour and consequently with labour of less price, though the wages of men employed to do them should not be abated. . . . Such things are successively invented to do a great deal of work with little labour of hands: they are the effects of necessity and emulation. . . . If my Neighbour by doing much with little labour, can sell cheap, I must contrive to sell as cheap as he. So that every Art, Trade, or Engine doing work . . . cheaper begets in others a kind of necessity and emulation either of using the same art, trade or engine, or of inventing something like it . . . that no man may be able to undersell his neighbour. And thus the East India Trade, by procuring things with less and consequently cheaper labour, is a very likely way of forcing men upon the invention of Arts and engines by which other things may be also done with less and cheaper labour and therefore may abate the price of manufacture, though the wage of men should not be abated,” p. 67. The same is true of Order and Regularity: “The more variety of artists to every manufacture, the less is left to the skill of single persons, the greater the order and regularity of every work, the same must needs be done in less time, the Labour must be less and consequently the

For all but a few writers this ended the matter. The minority argued that under given circumstances work-house employment tended of itself to accentuate the problem of employment. This conviction arose from the fact that they recognized that it was possible to glut the market and thus sell nothing at a paying price. The most famous exponent of this view is Defoe. Arguing that wages are above subsistence level and therefore that there is no lack of employment, "since any man would work for just as much as would supply himself rather than starve," he argues that to employ the poor in work-houses in manufacturing woollens, is to employ them in a trade already "managed to a full extent" and therefore would mean merely "transferring 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*."¹ That being said, he adds, "If they will employ the Poor in some manufacture which was not made in England before, or not bought with some manufacture made here before, then they offer at something extraordinary."² Another writer who considers the matter is T. Firmin, who answers the objection against his scheme, "What will you do with all the yarn these poor people shall spin? If you weave it into cloth, the commodity is brought over so cheap, that you will never be able to sell without much loss," by arguing "That we had much better lose something by the labour of the poor, than lose all by letting them live in sloth and idleness; for suppose you should give sixpence for that work which is really worth but fivepence; here will fivepence really be got to the nation, though one penny should be lost to the parish."³ The real difficulty lies, not in giving sixpence for a thing worth fivepence, but in only giving a penny for a thing costing sixpence to produce, and this the author does not cope with. However, the intention is plain, philanthropy must temper economic argument. This, of course, made it still easier to advocate the extension of work-houses, and the disciplinary virtues of the work-house blinded the more far-sighted business man, if he was not dazzled by its philanthropic aspects. Thus Cary advocates public or private work-houses, in which "Employments must be provided . . . for all sorts of People, who must also be price of labour less, though wages should not be abated."—*Considerations upon the East India Trade*, 1701 (1130, g. 3).

See also Defoe, *Plan of English Commerce*, 3rd edn., p. 60: "This (i.e., reduction of wages), 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."

¹ *Giving Alms no Charity*, p. 442.

² It must be admitted that the passage suggests sarcasm, but to the ordinary man at the time it was written it need not have appeared so, since the current view of the trade with France was just that it was *not* an interchange of goods for goods. The current assumption was that England lost heavily on the trade.

³ *Some proposals for the employing of the Poor, especially in and about the City of London*, T. Firmin. He advocates homework as well as work-house employment. Cp. William Goffe's *How to advance the Trade of the Nation and to employ the Poor*, in *Harl. Miscell.*, 4, 385. He argues that putting the poor to make goods of the kinds the nation is "overstocked with already" is but "undoing in one place to make another."

compelled to go thither when sent and work-houses to receive them . . . the design is to provide places for those who care not to work any where and to make the officers of Parishes industrious to find out such Vermin, when they shall know where to send them, by which means they would better be able to maintain the impotent."¹

The result of the main tendency of thought on this subject was a flood of pamphlets advocating the employment of the "poor," in all manner of ways, concern for their well-being proving very often a cloak for some specious project or other.² A sanctimonious writer demands the introduction of flax spinning in "Proposals for building in every county, a working Almshouse or Hospital, as the best expedient to perfect the Trade and manufactory of linen cloth."³ William Goffe⁴ demands the encouragement of sail-cloth making and fishing by means of a tax on all parishes for three years according to the "poor tax rate." The use of the parish poor in the woollen manufactory is a favourite device.⁵ Petty demands their employment in what would now be called "Public Utilities." "Making all high wayes so broad, firm and even, as whereby the charge and tedium of travelling and carriages may be greatly lessened. The cutting and scouring of Rivers into navigable; the planting of useful trees for timber, delight and fruit in convenient places."⁶

The logical conclusion was that by the application of this method either (1) the poor-law could be dispensed with, since if wages were lowered sufficiently, the sale of products abroad would provide industry with a market and the poor-law simply turned the scale and caused a glut (Defoe) or (2) that the poor-law industries simply became part of the wealth-producing organization of the nation. Both ideas as to employing the poor had the result of causing labour to be regarded simply as a factor of production, standing, as it were, outside "The Nation," an anticipation of the result produced later by the Wages Fund Theory of Wages.

¹ Cary, *loc. cit.*, p. 159.

² The author of *An Appeal to the Parliament concerning the Poor, that there may not be a beggar in England*, 1660 (Somers Tracts, 7.520), demands accurate statistics and the settlement of a "poor man's office . . . where handicraftsmen and labourers that want work and such as want workmen may enquire."

³ Harl. Miscell., 4, p. 489, 1677. This is clearly a projector's pamphlet.

⁴ *Loc. cit.*

⁵ See above, and *The Proposals for Promoting the woollen manufactory promoted by several well wishers thereunto, Inhabitants and citizens of London*, 1679, 712. g. 16 (18).

⁶ *Treatise of Taxes*, Vol. I, p. 29: I assume this to be public employment from the context. John Collins ("Accomptant" to the Royal Fishery Company) also demands the employment of the poor in the reclamation of waste lands. *Salt and Fishery*, 1682, 98r, b. 5. Another pamphlet on the fishing trade is James Puckle's *England's Path to Wealth and Honour in a dialogue between an Englishman and a Dutchman*, 2nd edn., 1700, 1029, 2 g. (4). His Fishing Company is to have the power of "Fathers of the Poor" (a plan obviously based on Child's proposals, Somers Tracts, 11, p. 607) controlling church collections, Poor rates, etc. His argument runs "Gold and silver mines England hath none and in time of Peace no way to get Bullion but by foreign traffick, to which nothing can more conduce than cheap fishing and cheap working and manufacturing the commodities which compose the exports of our kingdom and that is not to be effected except Labour be cheap, which it can never be where Provisions are dear. But the cheaper our Provisions are the cheaper our exports may be afforded."

Two further results may be noted :

1. If the amount of non-profitable relief was to be reduced, it seemed obviously desirable to afford as much employment to labour in industry as possible. Hence came an attack on labour-saving devices and the theory that the most beneficial trades were those which employed most labour. Thus Defoe : "All methods to bring our Trade to be managed by fewer hands than it was before, are in themselves pernicious to England in general, as it lessens the employment of the poor, unhinges their hands from the labour and tends to bring our hands to be inferior to our Employ, which as yet it is not. . . . 'Tis the excellence of our English manufacture that it is so planned as to go through as many hands as 'tis possible ; he that contrives to have to go through fewer ought at the same time to provide work for the rest."¹

2. The employment of public funds in industry led to a demand for protection, which the previous assumption strengthened.²

The most interesting attack on the "work fund" idea comes from Sir Dudley North. "If to make work for the people," he says, "a Law is made this year to destroy the Trade of the East Indies, some other such law will be wanted the very next. We may well hope, that in time the Navigation of the Thames, of every other river be destroyed, that many may be employed in the carriage which is now performed by few. By degrees, not an Art or engine to save the labour of hands will be left in England. When we shall be reduced to plain labour, without any manner of art we shall live at least as well as the wild Indians of America, the Hottentots of Africa, or the Inhabitants of New Holland. As often as I consider these things, I am ready to say with my self, that God has bestowed his blessings upon men that have neither hearts nor skill to use them. For why are we surrounded with the Sea ? Surely that our wants at home might be supplied by our Navigation into other countries, the least and easiest labour. By this we taste the spices of Arabia, yet never feel the scorching sun which brings them forth ; we shine in silks which our hands have never wrought ; we drink of vineyards which we never planted. The Treasures of those mines are ours in which we have never digged, we only plough the deep and reap the Harvest of every Country in the world."³ "Certainly every individual man in England might be employed to some profit to do some work which cannot be done without him ; at least the contrary is not evident, as long as England is not built, beautified and improved to the utmost perfection, as long as any country possesses anything which England wants, Spain the gold and silver of America, Holland the Fishing and other Trades, France the wines, as long as champagne

¹ *Loc. cit.*, 438, cp. Barbon, *Discourse of Trade* : "The advantage to the Nation from Trade is from the Customs and from the goods that Employ most Hands." An idea probably derived from his interest in building schemes.

² Firmin demands the prohibition of goods by Higher Duties, Goffe the prohibition of the export of unwrought goods.

³ *Considerations upon the East India Trade*, 1701 (1139, g. 3), pp. 58-9.

and burgundy are not drunk in every Parish ; some of these things might be appropriated to England.”¹

At least the erstwhile Turkey merchant cannot be accused of lack of optimism.

IV.

Under which category of thought is the system of economics analysed in the preceding pages to be put ? The question is one of some importance.

The answer depends upon the view taken as to what was the dominant consideration in the minds of the men of the time. The time was one of intense international rivalry,² and the economic writings of the time envisage the economic problems of the day as primarily bearing upon the international position of the Nation. “ To buy cheap and sell dear ”³ was not the maxim of the orthodox Free-trader, but seemed the obvious policy to pursue in order to oust Holland and to rival France. The phrase was, in other words, applied to the economic activities of the State considered as an entity, and did not primarily apply to the individual merchant at all. Indeed, the current assumption that the State might lose though the individual gained made it obvious that any facile coincidence of private and public advantage was not yet part of the intellectual equipment of the time.⁴ It was only when the identification of private with national profit began to be made that any advance could take place.

The theory of employment outlined in the previous pages was justified on the basis of the current theory of international trade, and is thus a mercantile theory in the Smithian sense of the word. The peculiar importance of the international trade views of the day has been, to my mind, unfortunately obscured by the extension of the meaning of the term “ Mercantile System ” to cover a wide ground—that in which it is co-extensive with State power in an absolutist sense.

Another view has recently been trenchantly stated by Professor Levy.⁵ He sees in the labour theory of the Restoration the promptings of the Puritan conscience, transforming itself by contact with economic facts into a half-fledged theory of *laissez-faire*.⁶ Genetically regarded, this view cannot lightly be dismissed, yet it appears to be somewhat exaggerated.

¹ *Ibid.*, pp. 54-5.

² G. B. Hertz, *English Public Opinion after the Restoration*.

³ “ The art is when we deal with strangers, to sell dear and to buy cheap.” Fortrey, *loc. cit.*, p. 29.

⁴ A letter to the Honourable A(rthur) M(oore), Commissioner of Trade and Plantation, 1713. 1029, e. 9 (10) : “ A merchant may gain a thousand pounds to his country and yet gain nothing, nay, even lose by the adventure himself.” “ In what any single person shall be a loser, there, endeavours will be made to hinder the publick gain.” Fortrey, *ibid.*, 12.

⁵ *Economic Liberalism*, 1913.

⁶ See specially chapters vi and vii.

1. The influence of Puritan thought seems undoubtedly most marked in the emphasis placed upon the evils of idleness. In so far as the economists of the time urged reformatory methods they were no doubt profoundly influenced by the Puritan theory of morals.¹

2. The harshness of tone towards the poor attributed to this ground can be exaggerated. Thus William Goffe, a regicide and a Puritan,² argues that "the poor ought to be encouraged and mercifully dealt with, and kindly used, until their slow hands be brought to ready working and ought at first to have the highest price the commodity will bear to themselves," the expenses of training to be paid by the parish.³ So Firmin, who argues for his scheme on the ground that it will ease the minds of "all that have any bowels of compassion" and increase their enjoyment of the good things of this world, as well as making property more secure and confirming the hopes of Christians,⁴ and appearing among the elect on the Day of Judgment, pleads for discrimination: "Do not imagine that all the poor people in England are like unto those vagrants you find up and down the streets. No, there are many thousands whose necessities are very great, and yet they do what they can by their honest labour to help themselves; and many times they would do more than they do but for want of employment."⁵

3. A true theory of *laissez-faire* would have rested content with high wages, provided they were the product of "natural" laws. The evil influence of high wages seems, during the period under review, to be far more the expression of an employing class desiring cheap labour in order to capture foreign markets, an axiom of business not entirely alien to our own day.⁶ The enterprising business man of the day was in conflict with the tendency of his employees to remain content with a fixed standard of comfort. Of course, in so far as "progressive" ideas were the result of Puritanism, the two streams of thought fused. But it was the theory of international trade which gave the characteristic turn to the thought of the day. Moreover, to use the work-house as a means of beating down wages was not *laissez-faire*, but the contrary. The *laissez-faire* attitude surely implies an absence of State aid in any form.⁷

¹ See spec. Cary, *loc. cit.*: "Nor is God more honoured than He is among these industrious people, who abhor vice on equal principles of Religion and good Husbandry, Labour being usually a barrier against sin, which doth generally come in at the doors of idleness." p. 166.

² *Vide D.N.B.*

³ *Loc. cit.*

⁴ *Loc. cit.*, pp. 9, 11.

⁵ *Loc. cit.*, pp. 9, 11.

⁶ Cary was not, as we have seen, in favour of low wages.

⁷ It is worth noting that the pamphlet, the *Grand Concern of England*, which, *inter alia*, desires the abolition of coffee houses and stage coaches and caravans, is not at all liberally inspired, although it demands lower wages in order to achieve a monopoly of foreign trade! It is characteristic of the difficulty of summing up the thought of the day that Child (who believed in the efficacy of a law to reduce the rate of interest) argued that wages varied "naturally." "Such as our employment is for people, so many will our people be, and if we should imagine we have in England employment

The necessity of ousting England's trade rivals appears, after all, to have carried the day.

but for one hundred People and we have born and bred amongst us one hundred and fifty people, I say the fifty must away from us or starve or be hanged to prevent it. . . . If by reason of the accommodation of living in our foreign plantations we have evacuated more of our people than we should have done, if we had no such plantations, I say . . . that decrease would procure its own remedy, for much want of people would procure greater wages and greater wages, if our laws gave encouragement, would procure us a supply of people without the charge of breeding them, as the Dutch are." *Loc. cit.*, 127.