

had Cloth to dispose of, but wanted no Corn; and with twenty others that wanted his Corn but had no Cloth to suit him with; To remedy such Inconveniences, and facilitate Exchange, Men have invented MONEY, properly called a *Medium of Exchange*, because through or by its Means Labour is exchanged for Labour, or one Commodity for another. And whatever particular Thing Men have agreed to make this Medium of, whether Gold, Silver, Copper or Tobacco; it is, to those who possess it (if they want any thing) That very thing which they want, because it will immediately procure it for them. It is Cloth to him that wants Cloth, and Corn to those that want Corn; and so of all other Necessaries, it is whatsoever it will procure. Thus he who had Corn to dispose of, and wanted to purchase Cloth with it, might sell his Corn for its Value in this general Medium, to one who wanted Corn but had no Cloth; and with this Medium he might purchase Cloth of him that wanted no Corn, but perhaps some other Thing, as Iron it may be, which this Medium will immediately procure, and so he may be said to have exchanged his Cloth for Iron; and thus the general Exchange is soon performed to the Satisfaction of all Parties, with abundance of Facility.

For many Ages, those Parts of the World which are engaged in Commerce, have fixed upon Gold and Silver as the chief and most proper Materials for this Medium; they being in themselves valuable Metals for their Fineness, Beauty, and Scarcity. By these, particularly by Silver, it has been usual to value all Things else; But as Silver it self is of no certain permanent Value, being worth more or less according to its Scarcity or Plenty, therefore it seems requisite to fix upon Something else more proper to be made a *Measure of Values*, and this I take to be *Labour*.

By Labour may the Value of Silver be measured as well as other Things. As, Suppose one Man employed to raise Corn, while another is digging and refining Silver; at the Year's End, or at any other Period of Time, the compleat Produce of Corn, and that of Silver, are the natural Price of each other; and if one be twenty Bushels, and the other twenty Ounces, than an Ounce of that Silver is worth the Labour of raising a Bushel of that Corn. Now if by the Discovery of some nearer, more easy or plentiful Mines, a Man may get forty Ounces of Silver as easily as formerly he did twenty, and the same Labour is still required to raise twenty Bushels of Corn, then two Ounces of Silver will be worth no more than the same Labour of raising One Bushel of Corn, and that Bushel of Corn will be as cheap at two Ounces, as it was before at one; *ceteris paribus*.

Thus the Riches of a Country are to be valued by the Quantity of Labour its Inhabitants are able to purchase, and not by the Quantity of Silver and Gold they possess; which will purchase more or less Labour, and therefore is more or less valuable, as is said before, according to its Scarcity or Plenty. As those Metals have grown much more plentiful in *Europe* since the Discovery of *America*, so they have sunk in Value exceedingly; for, to instance in *England*, formerly one Penny of Silver was worth a Days Labour, but now it is hardly worth the sixth Part of a Days Labour; because not less than Six-pence will purchase the Labour of a Man for a Day, in any part of that Kingdom; which is wholly to be attributed to the much greater Plenty of Money now in *England* than formerly. And yet perhaps *England* is in Effect no richer now than at that Time; because as much Labour might be purchas'd, or Work got done of almost any kind, for 100 l. then, as will now require, or is now worth 600 l.

In the next Place, let us consider the Nature of *Banks* emitting *Bills of Credit*, as they are at this Time used in *Hamburgh*, *Amsterdam*, *London* and *Venice*.

Those Places being Seats of vast Trade, and the Payment of great Sums being for that Reason frequent, *Bills of Credit* are found very convenient in Business; because a great Sum is more easily counted in Them, lighter in Carriage, concealed in less Room, and therefore safer in Travelling to Laying up, and on many other Accounts they are very much valued. The Banks are the general Cashiers of all Gentlemen, Merchants and great Traders in and about those Cities; there they deposite their Money, and may take out Bills to the Value, for which they can be certain to have Money again at the Bank at any Time: This gives the Bills a Credit; so that in *England* they are never less valuable than Money, and in *Venice* and *Amsterdam* they are generally worth more. And the Bankers always reserving Money in hand to answer more than the common Run of Demands, (and some People constantly putting in, while others are taking out) are able besides to lend large Sums, on good Security, to the

Government or others, for a reasonable Interest, by they are paid for their Care and Trouble; and (the Money which otherwise would have lain dead in their Hands, made to circulate again thereby among the People: And thus the Running Cash of the Nation is as it were doubled, for all great Payments being made in Bills, Money in lower Trade becomes much more plentiful; And this is an exceeding great Advantage to a Trading Country, that is not overstock'd with Gold and Silver.

As those who take Bills out of the Banks in *Europe*, put in Money for Security; so here, and in some of the Neighbouring Provinces, we engage our Land. Which of these Methods will most effectually secure the Bills from a actually sinking in Value, comes next to be considered.

Trade in general being nothing else but the Exchange of Labour for Labour, the Value of all Things is, as I have said before, most justly measured by Labour. Now suppose I put my Money into a Bank, and take out a Bill for the Value; if this Bill at the Time of my receiving it, would purchase me the Labour of one hundred Men for twenty Days; but some time after will only purchase the Labour of the same Number of Men for fifteen Days; it is plain the Bill has sunk in Value one fourth Part. Now Silver and Gold being of no permanent Value; and as this Bill is founded on Money, and therefore to be esteemed as such, it may be, that the Occasion of this Fall is the increasing Plenty of Gold and Silver, by which Money is one fourth Part less valuable than before, and therefore one fourth more is given of it for the same Quantity of Labour; and if Land is not become more plentiful by some proportionate Decrease of the People, one fourth Part more of Money is given for the same Quantity of Land; whereby it appears that it would have been more profitable to me to have laid that Money out in Land which I put into the Bank, than to place it there and take a Bill for it. And it is certain, that the Value of Money has been continually sinking in *England* for several Ages past, because it has been continually increasing in Quantity. But if Bills could be taken out of a Bank in *Europe* on a Land Security, it is probable the Value of such Bills would be more certain and steady, because the Number of Inhabitants continue to be near the same in those Countries, from Age to Age.

For, as Bills issued upon Money Security are Money, so Bills issued upon Land, are in Effect *coined Land*.

Therefore (to apply the Above to our own Circumstances, If Land in this Province was falling, or any way likely to fall, it would behove the Legislature most carefully to contrive how to prevent the Bills issued upon Land from falling with it. But as our People increase exceedingly, and will be further increased, as I have before shown, by the Help of a large Addition to our Currency; and as Land in consequence is continually rising, So, in case no Bills are emitted but what are upon Land Security, the Money Acts in every Part punctually enforced and executed, the Payments of Principal and Interest being duly and strictly required, and the Principal, *bona fide*, sunk according to Law, it is absolutely impossible such Bills should ever sink below their first Value, or below the Value of the Land on which they are founded. In short, there is so little Danger of their sinking, that they would certainly rise as the Land rises, if they were not emitted in a proper Manner for preventing it: That is, by providing in the Act, That Payment may be made either in those Bills, or in any other Bills made current by any Act of the Legislature of this Province; and that the Interest, as it is received, may be again emitted in Discharge of publick Debts; whereby circulating, it returns again into the Hands of the Borrowers, and becomes Part of their future Payments; and thus as it is likely there will not be any Difficulty for want of Bills to pay the Office, they are hereby kept from rising above their first Value: For else, supposing there should be emitted upon mortgaged Land, its full present Value in Bills; as in the Banks in *Europe*, the full Value of the Money deposited is given out in Bills; and supposing the Office would take nothing but the same Sum in those Bills in Discharge of the Land; as in the Banks aforesaid, the same Sum in their Bills must be brought in, in order to receive out the Money: In such Case the Bills would most surely rise in Value as the Land rises; a certainly as the Bank Bills founded on Money would fall, that Money was falling. Thus if I were to mortgage to Loan-Office, or Bank, a Parcel of Land now valued at 100 l. in Silver, and receive for it the like Sum in Bills, to be in again at the Expiration of a certain Term of Years, which, my Land rising in Value, becomes worth 150 l. per year; 'tis plain, that if I have not these Bills