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Josiah Child, Interest Rates, and John Locke’s “For a General Naturalization”

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Throughout the 1690s there were several high-profile parliamentary debates about lowering interest rates from 6 to 4 percent. Locke’s involvement in these policy debates is significant. In this period, he circulated at least one important pamphlet on this issue to various Members of Parliament. The purpose of this article is to illuminate the links between Locke’s arguments against interest rate reduction and immigration policy. Locke’s essay “For a General Naturalization” (1693) employs some of the same pro-naturalization formulations that Josiah Child uses in A New Discourse of Trade (1693), a pamphlet that was ostensibly published in support of the parliamentary proposal for lower interest rates. Even though Locke had a long history with pro-naturalization arguments, the framework of his essay on naturalization is very likely an extension of those debates with Child about interest rates from 1691/2.

Introduction

The purpose of this article is to situate Locke’s essay “For a General Naturalization” (1693) in the wider naturalization debates of the late seventeenth century and, more specifically, the economic debates about interest rates that were taking place in the 1690s.¹ While this essay represents Locke’s most direct engagement with the issue of immigration, very little is known about the circumstances surrounding it. Mark Goldie speculates that the essay was written in anticipation of or in response to the General Naturalization Bill that was put forward in December 1693, which is most certainly the case.² However, very little work has been done to show how this text intersects with the many high-profile parliamentary debates on issues concerning political economy that were taking place at that time. Throughout the 1690s, Locke wrote a number of position papers on issues of political economy which were circulated among key policy makers to influence their opinions.³ In this

¹The original document can be found MS Eng. 818, Houghton Library, Harvard University, and is endorsed “For a Generall Naturalization” (*sic*). The original text is untitled.

²John Locke, “For a General Naturalization,” in *Locke: Political Essays*, ed. Mark Goldie (New York, 1997), 322.

³That “For a General Naturalization” was not published is no indication it was not intended to be distributed to influential MPs. Ted McCormick explains that in the seventeenth century “‘publication’ was not

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period, Locke was beginning to give expression to a much more sophisticated theory of political economy. With greater understanding of the basic mechanisms driving economic activity, he started to flesh out the conceptual linkages between interest rates and population flows.

Beyond the broader currents of naturalization and political economy, this article also seeks to show that Josiah Child was a key interlocutor for Locke's essay on naturalization. While they disagreed about certain specific mechanisms of political economy (quite centrally the issue of interest rates), they shared a similar moral outlook and held many of the same assumptions about the inner workings of political economy more broadly. Both warned against the dangers of luxury and easy money, which breed idleness and moral laxity. They shared the belief that effective economic arrangements would incentivize moral and civic virtue, and, for the purposes of this paper, it is significant that Child and Locke were both firmly committed to a policy of open naturalization. They both believed that favorable immigration policy was intimately linked with England's economic and moral development. The conditions that would produce economic growth and incentivize positive moral behavior would necessarily lead to an influx of foreigners.

While Child published widely on the issues of trade and political economy in this period, of particular interest is his *A New Discourse of Trade*. Originally published under the title *Brief Observations Concerning Trade and Interest of Money* (1668), this treatise was revised and expanded by Child in 1690, and published anonymously as *A Discourse about Trade*. He republished this text again in 1693 under the new title *A New Discourse of Trade*.⁴ Locke owned all three of these editions.⁵ Notably, in his 1690 edition, Child dedicates an entire chapter to the issue of naturalization and the necessity of Parliament passing a bill that would encourage foreign immigration to England (incidentally, he also advocates for the naturalization of Jews).⁶ The timing of Child's 1693 reprinting of this text, not to mention Locke's then recent critical engagement with him over the issue of lowering interest rates, all lend additional weight to the idea that Locke was building on his engagement with Child's pro-naturalization formulations when he formally set out his ideas on the subject.

Locke's interest in the politics of naturalization has been given relatively little attention since David Resnick first published "For a General Naturalization" in 1987.⁷ In fact, it is still common for political theorists to argue that Locke had little

yet synonymous with print. At a time when ... political power ... was concentrated in a relatively small elite, politically sensitive material could be more safely and often more effectively 'published' by being circulated in manuscript from hand to hand." Ted McCormick, *William Petty and the Ambition of Political Arithmetic* (New York, 2009), 7. For more on this scribal tradition see Harold Love, *Scribal Publication in Seventeenth-Century England* (Oxford, 1993).

⁴The 1693 edition bears the "imprimatur" date of 24 Dec. 1692. See T. H. Bowyer, "The Published Forms of Sir Josiah Child's *A New Discourse of Trade*," *The Library* 5/11 (1956), 95–102. See John MacVickar, *Outlines of Political Economy* (New York, 1825), 26.

⁵John Harrison and Peter Laslett, eds., *The Library of John Locke* (Oxford, 1971), 98, 106, 251.

⁶Chapter 7, "Concerning Naturalization," was not included in the 1668 edition. This was added to the revised edition of 1690. See Josiah Child, *A Discourse about Trade* (London, 1690); and Child, *A Discourse of Trade* (London, 1693).

⁷David Resnick, "John Locke and the Problem of Naturalization," *Review of Politics* 49/3 (1987), 368–88. Another version of Locke's essay was subsequently printed in Patrick Kelly, ed., *Locke on Money*, vol. 2

interest in the issue of immigration.⁸ A peculiar feature of Lockean scholarship has been that, disconnected from the economic and historical context in which he was writing, not to mention the naturalization policies he actually supported, it has been possible to generate textually consistent but historically limited readings of the *Second Treatise of Government* that construe Locke as a strong proponent of what contemporary scholarship refers to as “exclusion,” i.e. territorial rights that include the right to unilaterally exclude immigrants.⁹

From what we know of Locke’s involvement with the naturalization debates of the post-Restoration period, it is by no means clear that he believed that nations had the right to exclude immigrants. In contrast, he claimed that princes have a duty to “increase hands.”¹⁰ The last thing he would have wanted was to prevent foreigners from settling in England. Even supposing that governments did have the power and ability to restrict immigration inflows, there is no indication that Locke believed that they should do so. Quite tellingly, the only people concerned with regulating the comings and goings of their populations in the seventeenth century were absolutist monarchs, either expelling “undesirable” minorities (like the French Huguenots) or trying to prevent their disgruntled populations from leaving. Some of Locke’s language on this issue, in fact, flirts with excess. He writes, “to put this past doubt this is certain: no country can by the accession of strangers grow too full of people.”¹¹ If properly managed, there was no foreseeable limit to the number of people a country could admit. Though, much as was the case with other features of the new science of political economy that were being developed in this period, this sentiment also seems to presume that there are self-regulating mechanisms at work governing the movement of people, all of which obviate the need for explicit government regulation.

To these ends, this article is organized as follows. The first section provides an overview of the naturalization debates that were taking place in the Restoration

(New York, 1991). Only a few other articles since then have substantively addressed this issue from a historical perspective. See Laurence Houlgate, “John Locke on Naturalization and Natural Law: Community and Property in the State of Nature,” in Ann Cudd and Win-chiat Lee, eds., *Citizenship and Immigration: Borders, Migration and Political Membership in a Global Age* (Cham, 2016), 123–36; Brian Smith, “Hands, Not Lands: John, Immigration, and the ‘Great Art of Government,’” *History of Political Thought* 39/3 (2018), 465–90; J. K. Numao, “Locke on Consent, Membership, and Emigration,” *European Journal of Political Theory* (2019), at <https://doi.org/10.1177/1474885119852709>.

⁸Peter Schuck and Rogers Smith conclude that “Locke failed to address the issue of whether a citizen body could refuse a new member.” Quoted in Kristen Hill Maher, “Who Has a Right to Rights? Citizenship’s Exclusions in an Age of Migration,” in Alison Brysk, ed., *Globalization and Human Rights* (Berkeley, 2002), 19–43, at 28. Matthew Gibney writes that John Locke “paid very little attention to questions of immigration.” Matthew Gibney, “Immigration and Refugees” (2006), *Routledge Encyclopedia of Philosophy*, at www.rep.routledge.com/articles/thematic/immigration-and-refugees/v-1 (accessed 16 Oct. 2020). Jeremy Waldron argues that Locke “didn’t explicitly address the right to cross borders or the commonwealth’s right to close them.” Jeremy Waldron, “Immigration: A Lockean Approach,” NYU School of Law, Public Law Research Paper No. 15-37 (2015), 4 n. 3, at <https://ssrn.com/abstract=2652710>. And finally, Amy Buzby claims that “immigration is not just omitted from Locke’s work, it is conspicuously missing.” Amy Buzby, “Locking the Borders: Exclusion in the Theory and Practice of Immigration in America,” *International Migration Review* (2016), 1–26, at 4.

⁹Not to be confused with the seventeenth-century Exclusion Crisis (1679–1681).

¹⁰See Smith, “Hands, not Lands.”

¹¹Locke, “For a General Naturalization,” 324.

period. These discourses were grappling with three key events: (a) the new science of demography and population studies advanced by John Graunt and William Petty, (b) the Dutch economic miracle, and (c) the Huguenot refugee crisis. The following section shows that Locke's interest in naturalization can be traced back to some of his earliest writing on political matters, dating to the time he was in the service of Lord Ashley Cooper. The next section provides an account of the interest rate debates that were taking place in the period after the Glorious Revolution, more specifically the prominent roles Child and Locke played in these debates. The final section shows how the issues of interest and naturalization were intimately related in the economic theories of Child and Locke.

Populationist discourses

By the mid-seventeenth century, population discourses were changing. Up to that time, the republican tradition had historically advocated for a generous naturalization policy to aid in national defense and territorial expansion.¹² The natural-law tradition had also customarily held that individuals had a right to communicate and trade with whomever they wished and that states had a duty to be hospitable to strangers, granting them residency if they so wished.¹³ Around the time of the English Restoration, however, three events dramatically transformed this discourse. First, in 1662 John Graunt published *Natural and Political Observations Made upon the Bills of Mortality*, which was the first methodologically rigorous attempt to quantify England's population size. This text, along with William Petty's *Political Arithmetick* (circulated in the 1670s and printed in 1690), demonstrated that England's population was not in decline and that the country could sustain many more people than it did. In fact, employing Graunt's methods, Petty actively promoted policies, specifically regarding England's policy toward Ireland, that would lead to the influx of immigrants. He argued that with the proper attention to economic policy, strangers could be "admitted *ad infinitum*."¹⁴

The empirical turn in Graunt's and Petty's analysis on population was in part inspired by concerns about England's competitive advantage in the world of international trade. Since the early seventeenth century, the Dutch had been the formidable trade powerhouse of Europe. One of the most pressing political economic questions of this period was how they had achieved supremacy. In 1663, Samuel Fortery argued that, the Dutch case proved, "Two things therefore appear to be chiefly necessary to make a Nation great and powerful, which is, to be *rich* and *populous*."¹⁵ As Fortery suggests, it was widely believed that there was a strong

¹²Machiavelli argued that state power is measured in "abundance of men." Niccolo Machiavelli, *The Prince*, trans. Luigi Ricci (London, 1903), 41. See also Giovanni Botero, *On the Causes of the Greatness and Magnificence of Cities* [1588], trans. Geoffrey Symcox (Toronto, 2012), 46.

¹³See Vitoria, "On the American Indians," in *Vitoria: Political Writings*, ed. Anthony Padgen and Jeremy Lawrance (New York, 2010), 231–92, at 278; and Alberico Gentili, *De Iure Belli Libri Tres* [1612], trans. John C. Rolfe (London, 1933), 89.

¹⁴William Petty, *Political Arithmetick*, in *The Economic Writings of Sir William Petty*, vol. 1, ed. Charles Henry Hull (London, 1899), 266.

¹⁵Samuel Fortery, *England's Interest and Improvement, Considered in the Increase of the Trade of this Kingdom* [1663] (London, 1744), 3.

correlation between economic prosperity and population size (or density). One of the central points of conflict in this debate was whether population growth drives economic attainment or whether it was merely a by-product of that success.

These arguments proved to be the source of deep divisions among political economists of this period. For instance, in his *Brief Observations* (1668), Josiah Child argues that Dutch population growth stemmed from their laws concerning usury. Their interest rate policies “were sufficient to make any barren Land fruitful, and a fruitful Land an entire Garden, which by consequence would maintain ten times the number of Inhabitants that the same Tract of Land would do where no such Laws were.”¹⁶ By effectively managing interest rate policy, the country had been transformed into a fruitful garden with an abundance of inhabitants.

Not everyone agreed with Child’s formulation. In response, one anonymous critic argues that interest rates should be seen as subordinate to the dynamics of trade, monetary supply, and population size. The author claims that Dutch “trade makes plenty of money and people; their plenty of money, with abundance of people makes land dear, and the dearness of land, with plenty of money, makes interest naturally low.”¹⁷ This anonymous tract runs very close to some of the arguments Locke would develop in *Some of the Consequences* (1668), which were also set out to challenge Child. Locke argues that economic health is more directly traced to population size and money supply than to low interest rates. In fact, he concludes that interest rates should be kept artificially high by state policy, otherwise a string of morally and economically catastrophic consequences would follow (more on this below).¹⁸ In a slightly different vein, William Aglionby (1669) also rejected the mechanism of interest rates, arguing instead that Dutch success stemmed from the “plenty and abundance of all things, which commonly follows great numbers of people, particularly being so situated, as to take the advantage of three great Rivers, and the Sea.”¹⁹ And finally, William Temple (1673) argued “the true Original and Ground of Trade, to be, great multitude of People crowded into small compass of Land, whereby all things necessary to Life become dear, and all Men, who have Possession, are induc’d to Partimony.”²⁰ On this account, population density drives trade and economic productivity.

This is a small sample of the array of pamphlets published on Dutch economic success in this period. Even while there were clear disagreements about the specific mechanisms at work, it is striking how many commentators simply assumed that population size was a key indicator of economic health. While these arguments failed to produce naturalization reforms, they had real-world implications. Most notably, in 1685 King James II admitted to England roughly 50,000 persecuted

¹⁶Josiah Child, *Brief Observations Concerning Trade and Interest of Money* (London, 1668), 26.

¹⁷*Interest of Money Mistaken* (London, 1668), 21.

¹⁸For a clear summary of the debates on interest between Child and Locke see Edward Harpham, “Class, Commerce, and the State: Economic Discourse and Lockean Liberalism in the Seventeenth Century,” *Western Political Quarterly* 38/4 (1985), 565–82; H. J. Habakkuk, “The Long-Term Rate of Interest and the Price of Land in the Seventeenth Century,” *Economic History Review* 5/1 (1952), 26–45; David McNally, *Political Economy and the Rise of Capitalism* (Berkeley, 1990), 59–60; and Richard Boyd, “Rate of Interest,” in S. J. Savonius-Wroth, Jonathan Walmsley, and Paul Schuurman, eds., *Continuum Companion to Locke* (New York, 2010), 204–6, at 204.

¹⁹Aglionby, *The Present State of the United Provinces of the Low-Countries* (London, 1671), 209.

²⁰William Temple, *Observations Upon the United Provinces of the Netherlands* (London, 1705), 211.

French Huguenot refugees stemming from the repeal of the Edict of Nantes.²¹ While some of the public debate around this issue still harkened back to the hospitality discourse of the natural-law tradition, many commentators who supported open immigration saw this as a chance to demonstrate the empirical value of population-driven economic gains. As will be seen below, one can draw a direct line from the questions of Dutch economic success in the early Restoration period to the debates about Huguenot refugees and interest rates in the 1690s.²²

Locke's naturalization background

In many respects, anxiety about Dutch economic success and the possibility that open immigration might improve England's standing were the backdrop to a great deal of Locke's political commentary. For instance, the toleration discourse he is so well known for largely took place in the immediate aftermath of the influx of Huguenots. Locke's *A Letter Concerning Toleration* (1689) is a document that presupposes an increase in cross-cultural encounters between people of various religious and, indeed, ethnic backgrounds. In his public debate with Jonas Proast in *A Third Letter for Toleration* (1692), Locke writes, "Live amongst you then jews, mahometans, and pagans may; but endenized they must not be. But why? Are there not those who are members of your commonwealth, who do not embrace the truth that must save them, any more than they? What think you of socinians, papists, Anabaptists, quakers, Presbyterians?"²³ While *denizenship* was a different legal status than that of *naturalization* – denizenship was a much more truncated form of citizenship granted by executive order from the king, whereas naturalization was extended only by an Act of Parliament – the cumulative effect of arguments of these kinds suggests not only that Locke was steeped in the politics of immigration, but also that he was willing to go much farther than the public policy of his day in terms of admitting and granting civil status to non-Protestants (indeed, non-European) foreigners.²⁴ The Dutch economic success and the Huguenot refugee crisis had confirmed to proponents of open immigration that the speedy naturalization of prospective citizens was so beneficial to the economic health of a nation that it should become formal state policy.

Support for these policy positions can be traced back to the early days of Locke's political thought. His first known encounters with English naturalization policy took place in the late 1660s with Ashley Cooper's involvement with the General Act of Naturalization of 1669.²⁵ Ashley was a member of a special committee that sought to address the issue of the "decay in land rents and trade," to which

²¹For more on this see John Marshall, *John Locke, Toleration and Early Enlightenment Culture* (New York, 2006). Incidentally, this is when the word "refugee" entered common use in English.

²²For more on the population discourses in the seventeenth century that addressed issues of hospitality and the practical economic benefits of admitting foreigners see Brian Smith, *John Locke, Territory, and Transmigration* (London, 2021). Ch. 2 addresses the "Dutch Miracle" and how this intersected with the extant hospitality discourse of this period.

²³John Locke, *A Third Letter for Toleration*, in *The Works of John Locke*, vol. 5 (London, 1824), 141–546, at 229.

²⁴See A. H. Carpenter, "Naturalization in England and the American Colonies," *American Historical Review* 9/2 (1904), 288–303, 290.

²⁵Ashley Cooper was later to rise to earldom, becoming the first Earl of Shaftesbury in 1672.

the committee recommended a bill of general naturalization.²⁶ Locke had come into Ashley's service in 1667, first as the family physician, but then later as the secretary to the lords proprietors of Carolina. Whether he was directly influenced by Ashley's stance on naturalization is difficult to tell.²⁷ Perhaps they already shared very similar views on the issue. Then again, that Locke begins writing on these issues at that time is circumstantial evidence for Ashley's influence.²⁸

The convergence between Locke and Lord Ashley on the issue of immigration can be traced through several documents in this early period. In "An Essay on Toleration" (1667), which Goldie calls "the first fruit of his close association with Lord Ashley," Locke makes the case that the lack of tolerance in society would have a negative effect "upon the number and industry of our people, on which depends the power and riches of the kingdom."²⁹ This language, practically formulaic, was ubiquitous among seventeenth-century proponents of general naturalization. As noted above, in *Some of the Consequences* (1668), another pamphlet written at Ashley's request, to combat arguments advanced by Child in the late 1660s national interest rate debates, Locke argues that the causal mechanism behind the Dutch economic success was not artificially reduced interest rates, but rather "their plenty of people and money in proportion to their land which makes money cheap."³⁰ Naturalization also features conspicuously in the *Fundamental Constitutions of Carolina* (1669).³¹ The document offers a surprisingly easy path to citizenship: "Whatsoever alien shall, in this form, before any precinct register, subscribe these Fundamental Constitutions, shall be thereby naturalized."³²

²⁶See "Memorial of Lord Ashley to King Charles II on Indulgence to Dissenters, Naturalization of Foreigners, and Registration of Titles to Land, Probably Submitted in 1669," in William Dougal Christie, *A Life of Anthony Ashley Cooper: First Earl of Shaftesbury, 1621-1683*, vol. 2 (London, 1871), Appendix I, vi. In fact, naturalization bills appeared with some regularity throughout the latter half of the seventeenth century. For a summary see Caroline Robbins, "A Note on General Naturalization under the Later Stuarts and a Speech in the House of Commons on the Subject in 1664," *Journal of Modern History* 34/2 (1962), 168-77. See also "Naturalization," *Journal of the House of Commons, Volumes 8-11*, ed. Roger Flexman (London, 1803), 609.

²⁷While Locke does speak of interactions between Christians and Muslims in his early *Two Tracts on Government* (1660, 1662), it is not framed in the language of migration. Rather than cross-cultural migrations, one gets the impression he is speaking of legacy issues around conquest, where a Christian or Muslim minority find themselves living under the rule of a foreign power, like the Greek Christians he speaks about in the *Second Treatise*. See John Locke, *Two Tracts of Government*, ed. Philip Abrams (New York, 1967).

²⁸Laslett writes, "without Shaftesbury, Locke would not have been Locke at all." Peter Laslett, "Introduction," in John Locke, *Two Treatises on Government*, ed. Laslett (New York, 1988), 3-155, at 27.

²⁹John Locke, "An Essay on Toleration," in *Locke: Political Essays*, 134-59, at 159.

³⁰John Locke, *Some of the Consequences that are Likely to Follow upon Lessening of Interest to 4 Per Cent*, in *Locke on Money*, ed. John Kelly (Oxford, 1991), 167. At the time, Kelly explains, Shaftesbury was the Chancellor of the Exchequer, a man who was deeply "concerned with commercial and colonial policy and administration." Kelly, "General Introduction," in *Locke on Money*, 1-106, at 4.

³¹While Locke did not author the *Fundamental Constitutions*, as is widely presumed, he did champion its contents throughout his life. See J. R. Milton, "The Unscholastic Statesman: Locke and the Earl of Shaftesbury," in John Spur, ed., *Anthony Ashley Cooper, First Earl of Shaftesbury 1621-1683* (Farnham, 2011), 153-82, at 180. See also David Armitage, "John Locke, Carolina, and the *Two Treatises of Government*," *Political Theory* 32/5 (2004), 602-24.

³²*Fundamental Constitutions*, in *The Works of John Locke*, vol. 10 (Oxford, 1824), 175-99, at 198, §118. Incidentally, the *Constitutions* even makes allowances for the admission of "jews, heathens, and other dissenters from the purity of the Christian religion." *Ibid.*, 194, §97.

Finally, in a short piece on “Trade” (1674), yet another essay composed at Shaftesbury’s request, Locke listed “easy naturalization” as one of the key variables to a healthy economy.³³

As this selection of references indicates, Locke was steeped in the radical Whig naturalization politics advocated by Shaftesbury in this period. Furthermore, as Laslett and Harrison show, this influence is also reflected in his library. Locke owned many key books on political economy that dealt with the emerging demographic theory of the period. They write,

Locke had two editions of the most original work in the social sciences published in his time, Graunt’s *Natural and Political Observations upon the Bills of Mortality*, and he went to the trouble, while in France, of acquiring what seems to have corresponded to the bills of mortality for Paris. Whilst he lived in Rotterdam he noted down the weekly totals of burials in the city. He had Petty on *Political Arithmetic*, though not all the relevant tracts, and he was consulted about the publication of the posthumous work under that title which appeared in 1691.³⁴

In short, not only does Locke’s early writing evince a proclivity to open-immigration arguments, but also he was quite evidently immersed in the contemporaneous literature on demography and naturalization in this period.

Interest rate debates post-Glorious Revolution

In the years immediately following the Glorious Revolution of 1688, many commentators were attempting to assess and diagnose the economic downturn the country was facing.³⁵ The Nine Years War (1688–1697) had led to a substantial disruption of trade.³⁶ The difficulties felt by various sectors of the economy run throughout the parliamentary record of this period, which is filled with petitions from regional guilds and manufacturers seeking support and relief from the difficulties they faced. To make matters worse, due to the changing climatic conditions stemming from the Little Ice Age, there were also several failed harvests that led to

³³John Locke, “Trade (1674),” in *Locke: Political Essays*, 221–2, at 222. This document is compelling because it shows that Locke was quite sympathetic to Carew Reynell, another early populationist. Thirsk indicates that in this essay Locke was taking notes on Reynell’s work. See Joan Thirsk, *Seventeenth-Century Economic Documents* (Oxford, 1972), 96. Reynell writes, “Get first but Trade and People which will produce riches, and then pleasure will come of course. Riches are the Convenience of the Nation, people are the strength, pleasure, and glory of the Nation: But Trade preserves both.” Carew Reynell, *True English Interest* (London, 1674), “Preface.”

³⁴See Harrison and Laslett, *The Library of John Locke*, 25.

³⁵For an overview of the economic hardships of this period see Brodie Waddell, “The Politics of Economic Distress in the Aftermath of the Glorious Revolution, 1689–1702,” *English Historical Review* 130/543 (2015), 318–51. See also Steve Pincus, *1688: The First Modern Revolution* (New Haven, 2009).

³⁶For an account of how the war with France affected English economy see D. W. Jones, *War and Economy in the Age of William III and Marlborough* (Oxford, 1988). See also George Clark, *The Dutch Alliance and the War against French Trade, 1688–1697* (Manchester, 1923); and Clark, “The Character of the Nine Years’ War, 1688–1697,” *Cambridge Historical Journal* 11 (1954), 168–82.

significant food shortages.³⁷ In places like Oxford and Northampton, anxiety over food scarcity led to price-fixing riots.³⁸ As Waddell explains, in this period there were “at least forty food riots, eight recoinage disturbances and several excise riots, as well as threatening ‘clamours’ from unpaid sailors, disbanded soldiers, and underemployed weavers.”³⁹ The economic outlook was quite grim. The pamphlets seeking to rehabilitate the English economy of this period touched on everything from moral degeneracy to immigration.⁴⁰ It was not uncommon for artisans and craft guilds affected by the slump to point the finger at foreign-born migrants, like the recent influx of French Huguenots.⁴¹

It is with this economic downturn in mind that Josiah Child started to rehabilitate his arguments about the merits of low interest rates that had been defeated in the late 1660s.⁴² In *A Discourse about Trade* (1690), Child makes the case that a high interest rate

doth prevent the cultivation and improvement of our Country, as otherwise it might and would be improved; doth hinder the growth of Trade and employment and increase of the Hands of our Country; doth encourage Idleness and Luxury, and discourage Navigation, Industry, Arts and invention; then I make no question, but the taking of such an Interest as exceeds the Measure of our Neighbours, is *Malum in se* [wrong in itself], by the light of Nature, and consequently a Sin.⁴³

As noted above, Child believed that the secret to the Dutch economic success had been their low interest rates. This not only stimulated their manufacturing base, but

³⁷Karen Cullen, *Famine in Scotland: The ‘Ill Years’ of the 1690s* (Edinburgh, 2010); and Dagomar Degroot, *The Frigid Golden Age: Climate Change, the Little Ice Age, and the Dutch Republic, 1560–1720* (New York, 2018), 136.

³⁸Barry Reay, *Popular Cultures in England, 1550–1750* (New York, 1998), 175. For an overview of public discontent in this period see Max Beloff, *Public Order and Popular Disturbances, 1660–1714* (London, 1963).

³⁹Waddell, “The Politics of Economic Distress,” 345. Given the degree of economic distress the public faced, it is not surprising that there was a dramatic increase in the number of riots prosecuted by indictment in this period. See Robert Shoemaker, “The London ‘Mob’ in the Early Eighteenth Century,” *Journal of British Studies* 26/3 (1987), 273–304, at 276.

⁴⁰See *Reasons of the decay of the clothing-trade: humbly offered to the Parliament* (London, 1691); *Clothiers Complaint: Or Reasons for Passing the Bill Against the Blackwell-hall Factors &c. Shewing it to be a Public Good* (London, 1692); James Whiston, *A Discourse of the Decay of Trade* (London, 1693); John Dunton, *England’s Alarum, being an account of God’s most considerable dispensations of mercy and judgement toward these kingdoms for fourteen years last past and also of the several sorts of sins and sinners therein* (London, 1693). For a compelling overview of how this economic downturn was understood see Brodie Waddell, *God, Duty and Community in English Economic Life, 1660–1720* (Woodbridge, 2012).

⁴¹For an account of how this economic downturn stoked animosity against foreigners see Tim Harris, *London Crowds in the Reign of Charles II: Propaganda and Politics from the Restoration until the Exclusion Crisis* (New York), especially Ch. 8. For more on the anti-Huguenot sentiment of this period see Malcolm Thorp, “The Anti-Huguenot Undercurrent in Late-Seventeenth-Century England,” *Proceedings of the Huguenot Society of London* 22 (1976), 569–80.

⁴²Child also raises the issue of interest in a 1689 piece. See Josiah Child, *A Discourse Concerning Trade and that in Particular of the East-Indies* (London, 1689), 2.

⁴³Child, *A Discourse about Trade*, Preface.

it helped to explain their growth in population. Low interest rates stimulated economic productivity, leading to increased trade, which in turn led to higher wages. These higher wages attracted foreign workers, which further enhanced their economic productivity and trade. On this account, the best way for England to quickly improve its economic standing would be to both lower its interest rate to four per cent and then, concurrently, make it easy for immigrants to naturalize.

Child's stature as a political economist in this period and the timing of this argument are significant.⁴⁴ It is certainly no coincidence that *A Discourse about Trade* was published around the same time as there was this renewed attempt to address this issue in Parliament.⁴⁵ On 10 October 1690, a bill was put forth in the House of Commons "for the Reducing of Interest of Money from Six Pounds to Four Pounds *per Cent. per Ann.*"⁴⁶ While several commentators were pushing for lower interest rates in this period, none quite had Child's reputation, especially given the prominent role he played in the parliamentary debates on this issue in the 1660s.⁴⁷ In fact, with those earlier debates in mind, a Member of Parliament, likely Sir John Somers, approached Locke asking him to revisit the arguments he had set out against Child in his 1668 paper *Some of the Consequences*.⁴⁸ Before Locke could formally enter the public debate, however, the bill was narrowly defeated by three votes after a rather brief period of time on 26 November 1690.⁴⁹

The following year there was a renewed attempt to push through a bill lowering interest rates. On 12 November 1691, a motion was made to consider another "Bill for the Lessening of Interest of Money," this time approved 131 to 105.⁵⁰ Unlike the previous session, given the overwhelming willingness to consider new legislation on interest, support for the measure had clearly grown. The proposal was read for the first time on 14 November, incidentally a week after the date of Locke's introductory remarks to *Some Considerations*, dated 7 November (1691).⁵¹ It was at this

⁴⁴Having risen through the ranks of the East India Company, becoming its governor in 1681, it is no surprise that Child was one of "the most widely read of seventeenth-century English economic writers." William Letwin, *Sir Josiah Child, Merchant Economist* (Cambridge, MA, 1959), 26.

⁴⁵William Letwin sees Child's publication as a coordinated effort. See William Letwin, *The Origin of Scientific Economics: English Economic Thought 1660–1776* (New York, 1963), 166.

⁴⁶See *Journal of the House of Commons: Volume 10, 1688–1693* (London, 1802), 433.

⁴⁷Though Child's text was published anonymously, it is likely that the authorship was well known. Nicolas Barbon also published *A Discourse of Trade* in 1690 which argues, "The next Cause of the Decay of TRADE in England, and the Fall of Rents is, That Interest is higher in England, than in Holland, and other places of great Trade: It is at Six per Cent. in England, and at Three in Holland." Nicolas Barbon, *A Discourse of Trade* (London, 1690), 79. Sir Walter Harris argued that Ireland was so poor because of the unfavorable balance of interest between her and England. Walter Harris, *Remarks on the Affairs and Trade of England and Ireland* (London, 1690), 31. A little later, Dudley North published *Discourses Upon Trade*, arguing, "I. When Interest is less, Trade is encourag'd, and the Merchant can be a Gainer; whereas, when it is great, the Usurer, or Money-owner takes all. II. The Dutch, with whom Interest is low, Trade cheaper, and under-sell us. III. Land falls in value, as Interest riseth." Dudley North, *Discourses Upon Trade* (London, 1691), 1.

⁴⁸Letwin also suspects that it was Somers who requested that Locke revisit his old papers, but he notes that this is "a mere surmise" tied to Locke's later relationship with Somers on coinage. It could have also been William Trumbull. Letwin, *The Origins of Scientific Economics*, 167 n. 1.

⁴⁹*Journal of the House of Commons: Volume 10*, 484.

⁵⁰*Ibid.*, 550–51.

⁵¹*Ibid.*, 552.

point that opponents of the bill hoped to leverage Locke's influence and intellectual stature. Edward Clarke wrote to Locke on 15 December explaining how he had been circulating a draft of his updated and revised pamphlet.⁵² He writes,

I have given Sir Francis [Masham] one, and have disposed of four or five more so advantageously in the House that it is already a doubt whether the Bill for Lowering the Interest of Money will ever be read a second time or not; and all that have read the *Considerations* are clearly of opinion the arguments therein are abundantly sufficient to destroy that bill, and all future attempts of the like kind.⁵³

Armed with the more sophisticated arguments set out by Locke, Clarke was confident that he would be able to influence several of his colleagues to vote against the bill.

Clarke's exuberance notwithstanding, the bill was, in fact, read a second time on 7 January 1692. After heated debate, the committee considering the bill set forth several amendments which were submitted and incorporated into the original bill, which was then read for a third time to the House on 15 January.⁵⁴ This time, despite Clarke's and Locke's efforts, "An Act for lessening the Interest of Money" would go on to pass in the House of Commons on 23 January 1692 with a sizable majority: yeas 150, noes 101.⁵⁵ On the day of the bill's passing, and despite the policy defeat, Clarke wrote to Locke conveying to him the impact he believed his essay had had: "the Greatest and best men in our House were obliged to that Treatise for all the Arguments they used in those Debates." He lamented, however, that the bill advanced not on its merits, but only because it provides "a supposed benefit to the borrower," and for these same reasons, he fretted, it will "carry through the House of Lords likewise."⁵⁶

Bracing for defeat, Clarke's letter suggests that he believed that the bill's approval in the House of Lords was imminent. Things would end up, however, taking a

⁵²This appears to be an early instance of Locke and Clarke's fruitful partnership. In this period, Clarke "became the philosopher's mouthpiece in the Commons and consequently the most important member of Locke's 'college', a policy-making and parliamentary pressure-group that was particularly active in the mid-1690s." Mark Knights, "Edward Clarke," in D. Hayton, E. Cruickshanks and S. Handley, eds., *The History of Parliament: The House of Commons 1690–1715* (New York, 2002), at www.historyofparliamentonline.org/volume/1690-1715/member/clarke-edward-i-1650-1710. Laslett explains in the debates about recoinage, "Edward Clarke could make the speeches in the House; Locke would write out the principle for him." Peter Laslett, "John Locke, the Great Recoinage, and the Origins of the Board of Trade: 1695–1698," *William and Mary Quarterly* 14/3 (1957), 370–402, at 381. The same dynamic appears to be at play in these debates on interest. For more on Locke's relationship with Edward Clarke see also Mark Knights, "John Locke and Post-revolutionary Politics: Electoral Reform and the Franchise," *Past & Present* 213/1 (2011), 41–86.

⁵³"Clarke to Locke, London: 15th December 1691," in Benjamin Rand, ed., *The Correspondence of John Locke and Edward Clarke* (Cambridge, MA, 1927), 324, original emphasis.

⁵⁴These amendments are not specified. *Journal of the House of Commons: Volume 10*, 629.

⁵⁵*Ibid.*, 639.

⁵⁶"Clarke to Locke, London: 23rd January 1692," in Rand, *The Correspondence of John Locke and Edward Clarke*, 330. To see the policy alliance with Locke, in the letter Clarke concludes, "I wish we may have better success upon the Bill of Coinage, and so I rest" (*ibid.*). And in January 1693, Clarke consults Locke on the Act for Printing (see *ibid.*, 366).

favorable turn for the opponents of lower interest rates. The House of Lords received the bill from the lower house on 28 January,⁵⁷ and then on 1 February sent it to committee, where it curiously and quite inexplicably disappeared.⁵⁸ In fact, on 17 February, the House of Commons, presumably perturbed that the bill had not yet made it out of committee, ordered “That a Message be sent to the Lords, to put them in mind of the Bill, intituled, An Act for lessening the Interest of Money.”⁵⁹ This reminder from the House of Commons notwithstanding, and for reasons that are not entirely clear, the bill passed into obscurity with Parliament’s spring prorogation. The issue was not taken up again.

Despite Clarke’s fear that low interest rates would benefit borrowers, it is not clear why the bill ultimately failed to pass in the House of Lords. Perhaps this bill touched on the growing rift between merchants and country gentleman, or, given the degree to which these arguments touched on the issue of immigration, anti-naturalization sentiments may have also played a key role.⁶⁰ For instance, the infamous Tory Sir John Knight, a Bristol merchant, and someone who would prove to be a source of virulent opposition to naturalization, sided with Clarke and Locke in their opposition to lowering interest rates to 4 percent.⁶¹ Even though he may have benefited from low interest rates as a merchant, the salient issue for Knight may have been the support it would give to the pro-naturalization elements that featured so heavily in Child’s argument. Then again, he may have been convinced by the Lockean arguments that artificially lowered interest rates would eventually undermine trade and the value of estates.

Along these same lines, it may have been the case that there were enough country gentlemen among the Lords who, in agreement with the MPs of the lower house, believed the bill to be a “dangerous experiment” that would diminish the value of estates.⁶² This is exactly the framework of Locke’s objection to the policy. He cautions policy makers with a foreboding prognosis:

When a nation is running into decay and ruin, the Merchant, and Monied Men, do what you can, will be sure to starve last: Observe it where you will, the decays that come upon, and bring to Ruine any Country, do constantly first fall upon the land; and though the Country Gentleman ... be not very forward to think so; yet this nevertheless is an undoubted truth, that he is more concern’d in Trade, and ought to take a greater care that it be well manag’d and preserved than even the Merchant himself.⁶³

⁵⁷*Journal of the House of Lords: Volume 15, 1691–1696* (London, 1767–1830), 53.

⁵⁸*Ibid.*, 56. On 10 February, that same committee was tasked with reviewing a Poor Bill, “An Act for the better Explanation, and supplying the Defects, of the former Laws for the Settlement of the Poor.” *Ibid.*, 69–70.

⁵⁹*Journal of the House of Commons: Volume 10, 672.*

⁶⁰As Harpham claims, “Landed members of Parliament, in particular, would be suspicious of any policy recommendations promoted by merchants such as Child that were so obviously in their own interest.” Harpham, “Class, Commerce, and the State,” 573.

⁶¹See Narcissus Luttrell, *The Parliamentary Diary of Narcissus Luttrell, 1661–1693* (Oxford, 1972), 150.

⁶²*Ibid.*, 117.

⁶³John Locke, *Some Considerations of the Consequences of Lowering of Interest and Raising the Value of Money* (London), 86.

If those on the committee debating this bill were landed noblemen, then it is not clear that they would have been willing to risk the supposed benefits of borrowing when the value of their lands might fall. It was widely assumed among opponents of the bill in the House of Commons that lowering interest would devalue estates by one-fifth.⁶⁴

Whatever the reasoning of the Lords was, the fact that the bill reducing interest languished in committee provides a useful backdrop to Child's renewed push to popularize his arguments at the end of 1692. The relatively recent policy victory in the House of Commons and the, at least in theory, pending judgment in the House of Lords may explain the dramatic retitling of *A Discourse about Trade* (1690) to *A New Discourse of Trade*, now emblazoned with his name. Nearly a full year had passed since the bill to lower interest rates had been sent to the House of Lords. Significantly, no changes had been made to the text except its title and signature. This repackaging must have been an attempt to spotlight the otherwise doomed bill, or at the very least to rehabilitate public pressure to reconstitute and revitalize public debate on this issue.

Interest and naturalization

It is worth remembering that Child's arguments about interest rates are fundamentally related to immigration. Ever since the 1660s he had understood that England needed to open its borders with pro-naturalization policies if it were to compete with Dutch success. The general formulation of his argument proceeds as follows: he begins by noting that "Low Interest is the Natural Mother of Frugality, Industry, and Arts"; and "nothing hath or will incline this or any other Nation more to Thriftiness and good Husbandry, than the Abatement of Interest."⁶⁵ From this he goes on to link all sorts of evils to high interest rates. It weakens productivity and hinders trade, which in turn engenders idleness and a propensity to luxury. But specifically he is concerned by the degree to which high interest rates drive down wages. The Dutch economic success had sufficiently demonstrated to him that low interest rates lead to high salaries, which in turn leads to "multitudes of people."⁶⁶ He argues that "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."⁶⁷

Child cautions that at their current rate of 6 percent, interest rates incentivize potentially degenerate behavior. He warns against "destructive Consumption ... tending only to nourish Idleness, Luxury and Beggary."⁶⁸ Conversely, if rates

⁶⁴See Luttrell, *The Parliamentary Diary*, 150.

⁶⁵Child, *A New Discourse of Trade*, "Preface"

⁶⁶*Ibid.*

⁶⁷*Ibid.*, 187. Incidentally, Child's position on higher wages appears to cut against the norms of this time, which, as D. C. Coleman argues, was the belief that the laboring poor "should remain poor" and that their wages should be kept low to combat idleness and to promote virtue. D. C. Coleman, "Labour in the English Economy of the Seventeenth Century," in Mark Blaug, ed., *The Later Mercantilists: Josiah Child (1603-1699) and John Locke (1632-1704)* (Brookfield, VT, 1991), 280. Although, instead of high wages, Child may mean high purchasing power. Elsewhere he argues that since "Fewel and Victual is cheaper in remote parts from London," the English wool manufacturer "can do work cheaper than the Dutch." Child, *A New Discourse of Trade* "Preface."

⁶⁸Child, *A New Discourse of Trade*, 27.

were lowered, this would produce a cascade of positive effects. For example, rather than bequeathing their sons lump sums of money, which would allow them to live idly off interest alone, fathers would be forced to bring their children “up to Writing, Arithmetick, and Merchants Accompts, and instruct them in Trades.”⁶⁹ Child worries that under the existing conditions many would continue “through the easiness of a deceitful Gain to live Idlely in good Towns on their Rents, rather than to give themselves with any pains to liberal Arts, or to till or husband their Inheritances.”⁷⁰ With a money- and trade-savvy merchant class that is compelled to live more frugally and to earn a living through husbandry or publicly beneficial trade, this would prohibit men from living passively off of exorbitant financial returns. Furthermore, these conditions would encourage individuals to invest their money in ways that are more “profitable to the Publick,”⁷¹ like the building of merchant ships or the purchasing and retailing of land.⁷² In the case of the latter, he suspects that low interest will make land an easy investment, especially if one is free to sell to foreign immigrants. A solid understanding of trade, he notes, “quickly brings us to find our advantage in permitting all Strangers to co-habit, trade and purchase Lands amongst us upon as easie terms as the Dutch do.”⁷³ In short, England could monetize its land by selling it to immigrant laborers who would engage in the value-producing arts of husbandry or skilled manufacture.

For Child, high interest rates encourage the wealthy to live idly off investments instead of engaging in economically productive financial husbandry, where money is directly invested into commercial interests, like ships and land. As noted above, it is striking that he believes that idleness among the merchant class is directly linked to beggary among the laboring poor. He concludes that when trade flounders, this will “drive them [our laborers] from us to other Countries that give better rates, and so the Dutch have drained us of our Sea-men and Wollen Manufactures; and We, the French of their Artificers and Silk Manufactures, and of many more we should if our Laws otherwise give them fitting Encouragement.”⁷⁴ An effective interest rate policy not only curbs degenerate lifestyles, but also stimulates trade and population growth. England would have a strong balance of trade, where it exports more finished goods than it imports, but also an equally desirable balance of immigration, where it receives more workers than it loses.

Though Locke does not explicitly thematize naturalization in *Some Considerations* the way that Child does, the implications of population flows are also the logical conclusion of his arguments. In this respect, even though they are on opposite ends of the interest policy debate, they agree that England would soon need to pass pro-naturalization legislation. Despite their differences, both assumed that population increase would be either the cause or the effect of healthy economic policy. Furthermore, both men also affirm the merits of having a frugal

⁶⁹Ibid., 42.

⁷⁰Ibid., 51.

⁷¹Ibid., 43.

⁷²Ibid.

⁷³Ibid., 44.

⁷⁴Ibid. “Preface.” Child had published a letter to a Member of Parliament on this issue right around the same time as *A New Discourse of Trade*. See Josiah Child, *An Essay on Wool, and Wollen Manufacture, for the Improvement of Trade* (London, 1693), imprimatur 31 Dec. 1692.

and industrious population base and a favorable balance of trade, with an emphasis on the production of raw materials, manufacture, and increased export. It is also striking that, like Child's, it is difficult to separate Locke's economic arguments from his moral ones. As noted above, Child calls high interest "wrong in itself" and a sin. And he routinely worries that bad economic policies might degrade the moral character of society. The same can be said about Locke.⁷⁵ This is not to say, however, that Child and Locke are deriving their moral positions from the mechanisms of economy. It is much more likely that they are seeking to reconcile the effects of market forces with what they perceive to be the just parameters of the natural law.⁷⁶

Though similar in form, Locke's argument is the exact inverse of Child's. He warns that low interest rates will incentivize dangerous consumption and investment patterns, which will erode society from within. The industrious country gentleman who produces his own raw goods and finished products, and who, furthermore, limits his expenditures on luxury items cultivates a favorable balance of trade for his farm (a rough metaphor for the country as a whole). He not only lives within his means but accrues wealth. This constancy only comes under threat when he is succeeded by a profligate son, "a fashionable young Gentleman, that cannot dine without Champane and Burgundy, nor Sleep but in a Damask Bed; whose Wife must spread a long train of Brocard, and his Children be always in the newest French cut and Stuff."⁷⁷ Like Child, but for the opposite reasons, Locke worries that being accustomed to easy money will lead to a profligate lifestyle, a desire for finery which will contribute to the excesses of "Debauchery, Idleness, and Quarrels."⁷⁸ It is quite significant that Locke's theory of economy only really works when the public has been habituated to a life of frugality and hard work. He clearly presumes that the working class will have a moral disposition that will keep them from being tempted by the glimmering prospect of higher wages in foreign lands.

⁷⁵It is striking that instead of resorting to sumptuary laws to police the public's behavior, Locke believes that desirable ethical behavior could be incentivized through economic policy. In one journal entry he notes, "Sumptuary laws, where the age inclines to luxury, do not restrain but rather increase the evil. Perhaps the better way to set bounds to people's expenses, and hinder them from spending beyond their income, would be to enact that no landed men should be obliged to pay any book-debt to tradesmen, whereby the interest of tradesmen would make them very cautious of trusting those who usually are the leaders of fashion, and thereby a great restraint would be brought on the usual excess: on the other hand, the credit of poor labouring people would be preserved as before, for the supply of their necessities." Quoted in H. R. Fox Bourne, *The Life of John Locke*, vol. 1 (London, 1876), 387. If the repayment of loans were in question, this would make it much harder for "the fashionable" to live idly on borrowed money. No one would loan money to them.

⁷⁶These are themes that go back to Locke's *Essays on the Natural Law*. He explains that the natural law cannot be rooted in "self-interest" which drives men to "procure for himself and to retain in his possession the greatest possible number of useful things; and when this happens it is inevitable that the smallest possible number is left to some other person." He concludes that "virtuous actions themselves do not clash nor do they engage men in conflict: they kindle and cherish one another." John Locke, *Essays on the Law of Nature*, in *Locke: Political Essays*, 79–133, at 131, 132. For more on this see Locke's essay "Venditio," where he argues that "'price' needs to be kept within the bounds of equity and justice." John Locke, "Venditio," in *Locke: Political Essays*, 340.

⁷⁷Locke, *Some Considerations*, 26.

⁷⁸*Ibid.*, 27.

Perhaps even more critically, Locke worries that any attempt to limit interest rates in the face of overriding market forces will turn men into liars. Since desperation, he surmises, drives men to take loans in the first place, and furthermore since he rejects the view that the “price of the hire of money can be regulated by law,”⁷⁹ Locke predicts that men will begin to make promises they cannot keep or look for ways to obey the letter of the law while violating its spirit.⁸⁰ He worries about the degree to which the “ever Frequency of Oaths shall make them be looked on as Formalities of Law or the Custom of straining of Truth.”⁸¹ Since “Faith and truth, especially in all occasions of attesting it, upon the solemn appeal to heaven by an oath, is the great bond of society,” laws that incentivize dishonesty will do more than just economic damage; they will undermine social trust and, more broadly, the entire moral fabric of society.⁸²

Locke agrees with Child that lowering interest rates will increase speculative investment in land, but he believes that this would ultimately distort the productive forces of society. Land will become a cheap product that is devalued inasmuch as it is commodified and traded. He explains that policies which make money cheap and land speculation easy will lead “Men to live beyond their Estates, Debts will increase and multiply.”⁸³ Under such conditions, when facing shortfalls, these speculators will eventually need to sell their land to cover their losses. Rather than investing in the land and developing manufacture, lower interest rates lead men to “turn their land into money.”⁸⁴

What is more, Locke worries that the rise of a brokerage class of land speculators will create a redundancy in the transferal of rents, tying up the money supply. He writes, “the multiplying of Brokers hinders Trade of any Country by making the Circulation, the Money goes larger, and in Circuit more stops, so that the Returns must necessarily be slower and scantier, to the prejudice of Trade.”⁸⁵ The idea here is that Locke presumes that renters would have to hoard their money in order to pay rent (typically due once or twice a year) to the broker, and the broker must then do the same to pay his creditors. Locke worries that this speculative investment in land would critically limit the amount of money in circulation since individuals at each stage of the investment chain (renter to broker and broker to banker) would need to save up a huge percentage of the country’s money supply – Locke suspects upwards of 25 percent – to pay their rents and debts.⁸⁶

Locke also predicts that a land commodity, brokerage economy would drive up the cost of consumables. Since less money is in circulation, and since more men will be speculating on land and living off borrowed money, there will be fewer

⁷⁹Locke, *Some Considerations*, 4.

⁸⁰For instance, Martindale promotes the merits of compound interest over simple interest. See Adam Martindale, *The Country Survey Book: Or Land Meters Vade-mecum* (London, 1692).

⁸¹Locke, *Some Considerations*, 4.

⁸²Ibid. Similar issues would emerge in the coinage crisis of 1695. See Stefan Eich, “John Locke and the Politics of Monetary Depoliticization,” *Modern Intellectual History* 17/1 (2020), 1–28.

⁸³Locke, *Some Considerations*, 84.

⁸⁴Ibid., 84.

⁸⁵Ibid., 41.

⁸⁶Ibid., 37.

individuals applying themselves to the value-generating activities of husbandry and manufacture. Locke, in fact, warns, "Money is a barren thing, and produces nothing, but by Compact transfers that Profit that was the Reward of one man's Labour into another man's Pocket."⁸⁷ A brokerage economy only *appears* to generate wealth, but it is chimerical since there is very little productive labor at its root. For Locke it would be more efficient to cut the speculative land brokers out of the equation altogether. Contrary to Child, he argues that it is only when money is costly to borrow that the merits of husbandry will pay, and men will be incentivized to invest in the production of raw goods and manufacture.

In the normal course of events, Locke suspects that people only buy land when, after carefully plying their trade and gradually building up their industry, they are looking to invest their surplus wealth. He writes, "And Men in Trade seldom think of laying out their money upon Land, till their Profit has brought them in More, than their Trade can well employ."⁸⁸ Under these more preferable conditions, the purchase of land is not a speculative investment in the way it is for brokers. To begin with, the assumption seems to be that the land is bought outright, not mortgaged. The newly purchased land will be either the new site of expanded manufacture or subsequently leased out to tradesmen who will make improvements to the land while paying rents. When leased in this way, there is now only the landowner and the renter; there is no middleman broker or end-of-the-line banker to bottleneck the flow of currency.

With high interest rates, the landowner receives a much higher return on investment since he would receive both rent and, assuming the renting laborer productively plies his trade and makes improvements on the property, an increase in land value. In fact, by investing in land this way, by cutting out the brokerage speculator and the banker, Locke argues that over time this would lead to an even better return on investment than would have occurred by lending money at 4 or even 6 percent. Allowing the interest rate to go as high as 6 percent would not only incentivize healthier investment and consumption patterns, leading to even greater returns. Through patience and diligent labor, the husband or manufacturer would work the land, increasing its value and profitability. This, in turn, would raise the amount of money the landowner could receive through rents. But more broadly, Locke suspects that the entire country would benefit since more sectors of the economy would be productive through labor and industry.

In contrast to these favorable conditions of value creation, Locke warns that the cascade effect of low interest rates would contribute to a severely contracted production base. When there is less money in circulation to spend on goods and services (all the easily available money having been quickly caught up in brokerage investment schemes), and there are fewer laborers plying their trade, productivity will be diminished overall. As fewer goods and services are available, demand for consumables and, hence, prices will increase. The high costs of goods will weaken exports, which then will lead to an unfavorable balance of trade. From this Locke envisions a devastating domino effect: laborers will not be able to afford goods and will have to borrow to make ends meet. Eventually, they will begin to default on

⁸⁷Ibid., 53–4.

⁸⁸Ibid., 85.

their loans and rents. The brokerage class will be next; they too will start to fault on their loans to the bankers and creditors. What is more, those laborers who are struggling to make ends meet will begin looking elsewhere for more favorable economic conditions. In fact, in at least two places Locke worries about farmers and tenants “running away” (perhaps to foreign countries) from their debts.⁸⁹

In contrast to Child’s belief that low interest rates will increase immigration, Locke argues just the opposite, that any such proposal actually “endangers the drawing away our People, both Handicrafts, Mariners, and Soldiers, who are apt to go where their Pay is best; which will always be where there is greatest plenty of Money.”⁹⁰ A bit later he reiterates this same point. The lowering of interest will prevent

Foreigners to come here and buy Lands, and settle amongst us. Whereby we have this double loss; First we lose their Persons, increase of people being the increase both of strength and riches: Secondly we lose so much Money. For though whatever an Englishman gives to another for Land, though raised to 40 Years purchase, be not one farthing advantage to the Kingdom, yet whatever a Foreigner, who purchases Land here, gives for it, is so much every farthing clear gain to the Nation, for the Money comes clear in, without carrying out anything for it, and is all one as if it drop’d down from the Clouds.⁹¹

Land speculation, where brokers purchase investment properties with fifty-year mortgages, indefinitely tie up the money supply and weaken trade for all the reasons Locke indicates above. When interest rates are high, Locke suspects that speculative investment becomes less attractive, and this will naturally incentivize more economically productive ventures. Even though wages are lower, so too are prices; everyone benefits from stronger purchasing power and the increase in cash flows. In short, more people can take advantage of the fruits that come with robust trade.

Locke is particularly attuned to the fact that a healthy economy attracts foreign workers, but it is also important to note that these conditions will attract the *right* kind of workers. Locke’s criteria for immigrants had nothing to do with their ethnicity or religion. What mattered first was whether they were frugally minded estate holders who want to buy into the economy. Ideally, they would be those who wished to transfer their fortunes to England, and in doing so they would add to the domestic monetary supply, which would come “as if drop’d down from the Clouds.” Besides trade, the admittance of foreign-born migrants with fortunes was one of the few ways a country could increase its money supply. Second, migrants could also be skilled artisans and laborers who were not put off by lower wages. Of course, these lower wages were offset by lower prices, greater purchasing power, and the rapid circulation of money, where, as Locke explains, a “shilling may at one time pay 20 men in 20 days.”⁹² These hardworking laborers,

⁸⁹Ibid., 91, 104.

⁹⁰Ibid., 78.

⁹¹Ibid., 100.

⁹²Ibid., 32.

wisely employed, would rent land, increasing its value, all the while enhancing the country's production and manufacturing base.⁹³

About a year after Child published *A New Discourse of Trade*, not too long after the debates about interest rates had subsided, Locke started writing "For a General Naturalization." Given Locke's relationship with Clarke, with whom he addressed various policy proposals in this period, it is surprising that they did not correspond about this subject matter.⁹⁴ At least no letter exists showing they discussed it.⁹⁵ It seems most likely that Locke started drafting the document at the end of the year in 1693, perhaps as early as November in preparation to contribute to the impending parliamentary debates. The timing of this essay suggests that he was aware of the impending General Naturalization Bill, that it would be (or was) put forward on 7 December 1693, but not the renewed discussion about laws protecting the wool industry, which became the source of parliamentary discussion on 4 January 1694. Neither does he appear to be aware of Sir John Knight's vituperative and highly public denunciation of the bill. Knight's offending tract was likely written and circulated soon after the bill had been advanced to committee in early January,⁹⁶ and was burned by the public hangman on 1 March 1694.⁹⁷ All of this confirms Goldie's December 1693 dating of the document.

Even though the text does not mention interest rates – since the issue of lower interest rates had failed to advance out of committee in the House of Lords the previous year, there was no need to relitigate this issue – the tract can still be read as an extension of the arguments set out against Child in those former debates. The essay reflects many of the same formulations about naturalization that were employed by Child. Locke also reiterates some of the same underlying market assumptions that were at play in his writing on interest: laws that violate market forces cannot be adhered to; manufacture and labor are the true source of value creation in the economy; currency circulation is key to a productive economy; and productivity drives

⁹³While it seems counterintuitive that low wages would attract workers, Locke likely means that while wages are relatively low, they would still be better than those in the country from which migrants are emigrating. This is the view of Eric Mack, who argues that Locke "does not have to worry about immigration driving wages down because when wages drop (significantly) people will stop immigrating." Eric Mack, *John Locke* (New York, 2009), 155 n. 7. Locke was also aware that immigrants do not migrate over a single issue. Issues of religious tolerance were key, but they also valued a dynamic economy with lower commodity prices and a stronger purchasing power than just high wages. He writes, "If you are so full of people already that handicraftsmen and labourers cannot live better here by their hands than at home you need not fear, they will not remove hither to be in a worse state here." Locke, "For a General Naturalization," 324–5. In other words, migrants seek to "live better," which likely means that they care more about their overall quality of life.

⁹⁴There is no record of Locke consulting Clarke on the Naturalization Bill. This may be because around time Clarke's wife was suffering through a very difficult pregnancy. He was seeking Locke's advice for treatments to mitigate her discomfort.

⁹⁵Though it seems that Locke's position on immigration was well enough known that years later he would receive at least one anonymous letter asking him to publish his pro-naturalization arguments. Letter 2206, February 1697, *Correspondence of John Locke*, vol.6, ed. E. S. De Beer (Oxford, 1981), 13–14.

⁹⁶Sir John Knight, *The Following Speech Being Spoke off hand upon the Debates in the House of Commons* (London, 1694).

⁹⁷Leave had been given to "Bring in a Bill for the Naturalizing of all such Protestants as shall take the Oaths to their Majesties, and the Test against Popery," on 7 December 1693. On 4 January 1694 Parliament "presented to the House a Bill to revive the Act, made in the First Year of their Majesties Reign, to prevent the Export of Wool, and encouraging the Woollen Manufactures of this Kingdom." *Journal of the House of Commons: Volume 11, 1693–1697* (London, 1803), 21, 66, 113.

down wages and prices, which will, in turn, lead to a greater demand for export goods. Adding to these arguments, Locke maintains that the admission of immigrants would have an even greater salutary effect on a country's productivity. Through population growth, one would be able to bolster both the domestic manufacturing base and the export of finished goods. The effective management of skilled immigrant laborers would produce an even more favorable balance of trade, and so the cycle of prosperity goes.

Locke's critical engagement with Child is significant and not merely because it illuminates the complex contours of disagreement within political economists in this period. More specifically, while the disagreement between Child and Locke can be traced back to the late 1660s, the significance of their divergence can more broadly be traced to the economic revolution that had taken place after the Glorious Revolution. Steve Pincus explains that after 1688 "the Tory stranglehold on economic ideology" espoused by Child gave way to other voices.⁹⁸ The challenge that Locke poses to Child at this time is not merely an attempt to relitigate a decades-old question, though it can certainly be interpreted this way. The disagreement between the two men really touches on the central question of what the post-revolutionary transformation of the country would look like. Both men believed that manufacture, trade, and immigration (among other things) were crucial components of economic growth and of the moral vitality of the country, even if they disagreed about the specific mechanisms that underwrote a healthy economy.

Conclusion

The content of Locke's "For a General Naturalization" is striking for two reasons. The first is not only the degree to which it recapitulates the populationist rhetoric of that period, but also the degree to which it resembles Child's pro-naturalization formulations. Given Locke's many encounters with Child over the issues of colonization and interest rates, there are good reasons to believe that Locke's "For a General Naturalization" was critically engaging with Child's naturalization arguments set out in *A New Discourse of Trade*. But second, this analysis also implies that any critical assessment of Locke's stance on immigration must engage with the intellectual tradition and policy context in which he was writing. These elements should help to mitigate the claims that Locke was a strong proponent of excluding migrants or the myth that he was uninterested in the question of immigration, as some have argued. The historical record shows not only that did Locke repeatedly engage with the issue of open naturalization over his career, but also that when he gave formal treatment to this subject his analysis was rooted in the economic debates on interest rates from the early 1690s.

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⁹⁸Pincus, 1688, 382. Although Child's populationist tendencies would likely have put him at odds with Tory thought.

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