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**An Inquiry Into The Nature and Causes Of The Wealth Of
Nations**

In Two Volumes

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Part First. Of motives for establishing new colonies.

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THE NATURE AND CAUSES OF

C H A P. VII.

Of Colonies.

PART FIRST.

Of the motives for establishing new colonies.

THE interest which occasioned the first settlement of the different European colonies in America and the West Indies, was not altogether so plain and distinct as that which directed the establishment of those of antient Greece and Rome.

ALL the different states of antient Greece possessed, each of them, but a very small territory, and when the people in any one of them multiplied beyond what that territory could easily maintain, a part of them were sent in quest of a new habitation in some remote and distant part of the world; the warlike neighbours who surrounded them on all sides, rendering it difficult for any of them to enlarge very much its territory at home. The colonies of the Dorians resorted chiefly to Italy and Sicily, which in the times preceeding the foundation of Rome, were inhabited by barbarous and uncivilized nations: those of the Ionians and Eolians, the two other great tribes of the Greeks, to Asia minor and the islands of the Egean sea, of which the inhabitants seem at that time to have been pretty much in the same state as those of Sicily and Italy. The mother city, though she considered the colony as a child, at all times entitled to great favour and assistance, and owing in return much gratitude and respect, yet considered it as an emancipated child over whom she pretended to claim no direct authority or jurisdiction. The colony settled its own form of government, enacted its own laws, elected its own magistrates, and made peace or war with its neighbours as an independant state which had no occasion to wait for the approbation

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or consent of the mother city. Nothing can be more plain and distinct than the interest which directed every such establishment.

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ROME, like most of the other antient republicks, was originally founded upon an Agrarian law, which divided the publick territory in a certain proportion among the different citizens who composed the state. The course of human affairs, by marriage, by succession, and by alienation, necessarily deranged this original division, and frequently threw the lands, which had been allotted for the maintenance of many different families, into the possession of a single person. To remedy this disorder, for such it was supposed to be, a law was made, restricting the quantity of land which any citizen could possess to five hundred jugera, about three hundred and fifty English acres. This law, however, though we read of its having been executed upon one or two occasions, was either neglected or evaded, and the inequality of fortunes went on continually increasing. The greater part of the citizens had no land, and without it the manners and customs of those times rendered it difficult for a freeman to maintain his independancy. In the present times, though a poor man has no land of his own, if he has a little stock, he may either farm the lands of another, or he may carry on some little retail trade; and if he has no stock, he may find employment either as a country labourer, or as an artificer. But, among the antient Romans, the lands of the rich were all cultivated by slaves, who wrought under an overseer, who was likewise a slave; so that a poor freeman had little chance of being employed either as a farmer or as a labourer. All trades and manufactures too, even the retail trade, were carried on by the slaves of the rich for the benefit of their masters, whose wealth, authority and protection, made it difficult for a poor freeman to maintain the competition against them. The citizens, therefore, who had no land, had scarce any other means of subsistence



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ence but the bounties of the candidates at the annual elections. The tribunes, when they had a mind to animate the people against the rich and the great, put them in mind of the antient division of lands, and represented that law which restricted this sort of private property as the fundamental law of the republick. The people became clamorous to get land, and the rich and the great, we may believe, were perfectly determined not to give them any part of theirs. To satisfy them in some measure, therefore, they frequently proposed to send out a new colony. But conquering Rome was, even upon such occasions, under no necessity of turning out her citizens to seek their fortune, if one may say so, through the wide world, without knowing where they were to settle. She assigned them lands generally in the conquered provinces of Italy, where, being within the dominions of the republick, they could never form any independent state; but were at best but a sort of corporation, which, though it had the power of enacting bye-laws for its own government, was at all times subject to the correction, jurisdiction, and legislative authority of the mother city. The sending out a colony of this kind, not only gave some satisfaction to the people, but often established a sort of garrison too in a newly conquered province, of which the obedience might otherwise have been doubtful. A Roman colony, therefore, whether we consider the nature of the establishment itself, or the motives for making it, was altogether different from a Greek one. The words accordingly, which in the original languages denote those different establishments, have very different meanings. The latin word (*Colonia*) signifies simply a plantation. The Greek word (*αποικια*) on the contrary, signifies a separation of dwelling, a departure from home, a going out of the house. But, though the Roman colonies were in many respects different from the Greek ones, the interest which prompted to establish them was equally plain and distinct. Both institutions derived their origin either from irresistible necessity, or from clear and evident utility.

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THE establishment of the European colonies in America and the West Indies arose from no necessity; and though the utility which has resulted from them has been very great, it is not altogether so clear and evident. It was not understood at their first establishment, and was not the motive either of that establishment or of the discoveries which gave occasion to it, and the nature, extent, and limits of that utility are not, perhaps, well understood at this day.

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THE Venetians, during the fourteenth and fifteenth centuries, carried on a very advantageous commerce in spices, and other East India goods, which they distributed among the other nations of Europe. They purchased them in Egypt, at that time under the dominion of the Mammeluks, the enemies of the Turks, of whom the Venetians were the enemies; and this union of interest, assisted by the money of Venice, formed such a connection as gave the Venetians almost a monopoly of the trade.

THE great profits of the Venetians tempted the avidity of the Portuguese. They had been endeavouring, during the course of the fifteenth century, to find out by sea a way to the countries from which the Moors brought them ivory and gold dust across the Desert. They discovered the Madeiras, the Canaries, the Azores, the Cape de Verd islands, the coast of Guinea, that of Congo, Angola, and Loango, and, finally, the Cape of Good Hope. They had long wished to share in the profitable traffic of the Venetians, and this last discovery opened to them a probable prospect of doing so. In 1497, Vasco de Gama sailed from the port of Lisbon with a fleet of four ships, and, after a navigation of eleven months, arrived upon the coast of Indostan, and thus completed a course of discoveries which had been pursued with great steadiness, and with very little interruption, for near a century together.

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SOME years before this, while the expectations of Europe were in suspense about the projects of the Portugueze, of which the success appeared yet to be doubtful, a Genoese pilot formed the yet more daring project of sailing to the East Indies by the west. The situation of those countries was at that time very imperfectly known in Europe. The few European travellers who had been there had magnified the distance; perhaps through simplicity and ignorance, what was really very great appearing almost infinite to those who could not measure it; or, perhaps, in order to increase somewhat more the marvellous of their own adventures in visiting regions so immensely remote from Europe. The longer the way was by the East, Columbus very justly concluded, the shorter it would be by the West. He proposed, therefore, to take that way, as both the shortest and the surest, and he had the good fortune to convince Isabella of Castile of the probability of his project. He sailed from the port of Palos in August 1492, near five years before the expedition of Vasco de Gama set out from Portugal, and, after a voyage of between two and three months, discovered first some of the small Bahama or Lucayan islands, and afterwards the great island of St. Domingo.

BUT the countries which Columbus discovered, either in this or in any of his subsequent voyages, had no resemblance to those which he had gone in quest of. Instead of the wealth, cultivation, and populousness of China and Indostan, he found, in St. Domingo, and in all the other parts of the new world which he ever visited, nothing but a country quite covered with wood, uncultivated, and inhabited only by some tribes of naked and miserable savages. He was not very willing, however, to believe that they were not the same with some of the countries described by Marco Polo, the first European who had visited, or at least had left behind him, any description of China or the East Indies; and a very slight



flight resemblance, such as that which he found between the name of Cibao, a mountain in St. Domingo, and that of Cipango, mentioned by Marco Polo, was frequently sufficient to make him return to this favourite prepossession, though contrary to the clearest evidence. In his letters to Ferdinand and Isabella he called the countries which he had discovered the Indies. He entertained no doubt but that they were the extremity of those which had been described by Marco Polo, and that they were not very distant from the Ganges, or from the countries which had been conquered by Alexander. Even when at last convinced that they were different, he still flattered himself that those rich countries were at no great distance, and, in a subsequent voyage, accordingly, went in quest of them along the coast of Terra Firma, and towards the isthmus of Darien.

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In consequence of this mistake of Columbus, the name of the Indies has stuck to those unfortunate countries ever since; and when it was at last clearly discovered that the new were altogether different from the old Indies, the former were called the West in contradistinction to the latter, which were called the East Indies.

IT was of importance to Columbus, however, that the countries which he had discovered, whatever they were, should be represented to the court of Spain as of very great consequence; and, in what constitutes the real riches of every country, the animal and vegetable productions of the soil, there was at that time nothing which could well justify such a representation of them.

THE Cori, something between a rat and a rabbit, and supposed by Mr. Buffon to be the same with the *Aperea* of Brazil, was the largest viviparous quadruped in St. Domingo. This species seems never to have been very numerous, and the dogs and cats of the Spaniards are said to have long ago almost entirely extirpated it, as well



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well as some other tribes of a still smaller size. These, however, together with a pretty large lizard, called the Ivana or Iguana, constituted the principal part of the animal food which the land afforded.

THE vegetable food of the inhabitants, though from their want of industry not very abundant, was not altogether so scanty. It consisted in Indian corn, yams, potatoes, bananes, &c. plants which were then altogether unknown in Europe, and which have never since been very much esteemed in it, or supposed to yield a sustenance equal to what is drawn from the common sorts of grain and pulse, which have been cultivated in this part of the world time out of mind.

THE cotton plant indeed afforded the material of a very important manufacture, and was at that time to Europeans undoubtedly the most valuable of all the vegetable productions of those islands. But though in the end of the fifteenth century the muslins and other cotton goods of the East Indies were much esteemed in every part of Europe, the cotton manufacture itself was not cultivated in any part of it. Even this production therefore, could not at that time appear in the eyes of Europeans to be of very great consequence.

FINDING nothing either in the animals or vegetables of the newly discovered countries, which could justify a very advantageous representation of them, Columbus turned his view towards their minerals; and in the richness of the productions of this third kingdom, he flattered himself, he had found a full compensation for the insignificancy of those of the other two. The little bits of gold with which the inhabitants ornamented their dresses, and which, he was informed, they frequently found in the rivulets and torrents that fell from the mountains, were sufficient to satisfy



satisfy him that those mountains abounded with the richest gold mines. St. Domingo, therefore, was represented as a country abounding with gold, and, upon that account, (according to the prejudices not only of the present times, but of those times) an inexhaustible source of real wealth to the crown and kingdom of Spain. When Columbus, upon his return from his first voyage, was introduced with a sort of triumphal honours to the sovereigns of Castile and Arragon, the principal productions of the countries which he had discovered were carried in solemn procession before him. The only valuable part of them consisted in some little fillets, bracelets, and other ornaments of gold, and in some bales of cotton. The rest were mere objects of vulgar wonder and curiosity; some reeds of an extraordinary size, some birds of a very beautiful plumage, and some stuffed skins of the huge alligator and manati; all of which were preceded by six or seven of the wretched natives, whose singular colour and appearance added greatly to the novelty of the shew.

IN consequence of the representations of Columbus, the council of Castile determined to take possession of countries of which the inhabitants were plainly incapable of defending themselves. The pious purpose of converting them to christianity sanctified the injustice of the project. But the hope of finding treasures of gold there, was the sole motive which prompted to undertake it; and to give this motive the greater weight, it was proposed by Columbus that the half of all the gold and silver that should be found there should belong to the crown. This proposal was approved of by the council.

As long as the whole or the far greater part of the gold, which the first adventurers imported into Europe, was got by so very easy a method as the plundering of the defenceless natives, it was not perhaps very difficult to pay even this heavy tax. But



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when the natives were once fairly stript of all that they had, which, in St. Domingo, and in all the other countries discovered by Columbus, was done compleatly in six or eight years, and when in order to find more it had become necessary to dig for it in the mines, there was no longer any possibility of paying this tax. The rigorous exaction of it, accordingly, first occasioned, it is said, the total abandoning of the mines of St. Domingo, which have never been wrought since. It was soon reduced therefore to a third; then to a fifth; afterwards to a tenth, and at last to a twentieth part of the gross produce of the gold mines. The tax upon silver, indeed, still continues to be a fifth of the gross produce. But the first adventurers do not appear to have been much interested about silver. Nothing less precious than gold seemed worthy of their attention.

ALL the other enterprizes of the Spaniards in the new world, subsequent to those of Columbus, seem to have been prompted by the same motive. It was the sacred thirst of gold that carried Oieda, Nicuesa, and Vasco Nugnes de Balboa, to the isthmus of Darien, that carried Cortez to Mexico, and Almagro and Pizarro to Chili and Peru. When those adventurers arrived upon any unknown coast, their first enquiry was always if there was any gold to be found there; and according to the information which they received concerning this particular, they determined either to quit the country, or to settle in it.

OF all those expensive and uncertain projects, however, which bring bankruptcy upon the greater part of the people who engage in them, there is none perhaps more perfectly ruinous than the search after new silver and gold mines. It is perhaps the most disadvantageous lottery in the world, or the one in which the gain of those who draw the prizes bears the least proportion to the loss of those who draw the blanks: for though the prizes are

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are few and the blanks many, the common price of a ticket is the whole fortune of a very rich man. Projects of mining, instead of replacing the capital employed in them, together with the ordinary profits of stock, commonly absorb both capital and profit. They are the projects, therefore, to which of all others a prudent law-giver, who desired to increase the capital of his nation, would least chuse to give any extraordinary encouragement, or to turn towards them a greater share of that capital than what would go to them of its own accord. Such in reality is the absurd confidence which almost all men have in their own good fortune, that wherever there is the least probability of success, too great a share of it is apt to go to them of its own accord.

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BUT though the judgement of sober reason and experience concerning such projects has always been extremely unfavourable, that of human avidity has commonly been quite otherwise. The same passion which has suggested to so many people the absurd idea of the philosopher's stone, has suggested to others the equally absurd one of immense rich mines of gold and silver. They did not consider that the value of those metals has, in all ages and nations, arisen chiefly from their scarcity, and that their scarcity has arisen from the very small quantities of them which nature has any where deposited in one place, from the hard and intractable substances with which she has almost every where surrounded those small quantities, and consequently from the labour and expence which are every where necessary in order to penetrate to and get at them. They flattered themselves that veins of those metals might in many places be found as large and as abundant as those which are commonly found of lead, or copper, or tin, or iron. The dream of Sir Walter Raleigh concerning the golden city and country of Eldorado, may satisfy us that even wise men



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are not always exempt from such strange delusions. More than a hundred years after the death of that great man, the jesuit Gumila was still convinced of the reality of that wonderful country, and expressed with great warmth, and I dare to say, with great sincerity, how happy he should be to carry the light of the gospel to a people who could so well reward the pious labours of their missionary.

IN the countries first discovered by the Spaniards, no gold or silver mines are at present known which are supposed to be worth the working. The quantities of those metals which the first adventurers are said to have found there, had probably been very much magnified, as well as the fertility of the mines which were wrought immediately after the first discovery. What those adventurers were reported to have found, however, was sufficient to enflame the avidity of all their countrymen. Every Spaniard who sailed to America expected to find an Eldorado. Fortune too did upon this what she has done upon very few other occasions. She realized in some measure the extravagant hopes of her votaries, and in the discovery and conquest of Mexico and Peru (of which the one happened about thirty, the other about forty years after the first expedition of Columbus) she presented them with something not very unlike that profusion of the precious metals which they sought for.

A PROJECT of commerce to the East Indies, therefore, gave occasion to the first discovery of the West. A project of conquest gave occasion to all the establishments of the Spaniards in those newly discovered countries. The motive which excited them to this conquest was a project of gold and silver mines; and a course of accidents, which no human wisdom could foresee, rendered this project much more successful than the undertakers had any reasonable grounds for expecting.

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