

Commerce, Culture, and Liberty

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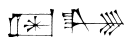
*Readings on Capitalism
Before Adam Smith*

EDITED BY HENRY C. CLARK



Liberty Fund
Indianapolis

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Printed in the United States of America

C 10 9 8 7 6 5 4 3 2
P 10 9 8 7 6 5 4 3 2

Library of Congress Cataloging-in-Publication Data
Commerce, culture, and liberty : readings on capitalism
before Adam Smith / edited by Henry C. Clark
p. cm.

Includes bibliographical references and index.

ISBN 0-86597-378-4 (alk. paper)

ISBN 0-86597-379-2 (pbk : alk. paper)

1. Economics—History—17th century.
2. Economics—History—18th century.
3. Economics—Political aspects—History.
4. Economics—Sociological aspects—History.
5. Economics—Moral and ethical aspects—History.

I. Clark, Henry C.

HB81.C66 2003 33.12'2—dc21 2002043439

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8335 Allison Pointe Trail, Suite 300
Indianapolis, Indiana 46250-1684

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Foreword

Although the modern world has been increasingly characterized by commercial culture, the interpretation of the scope, nature, and effects of exchange relations is as controversial today as it was when observers first described commercial society more than two centuries ago. The purpose of this anthology is to contribute to an understanding of the complexity of modern economic life by bringing together some of the most significant writing on its social, cultural, and political dimensions in the era when such writing first began.

In the seventeenth and eighteenth centuries, even the most sophisticated students of economic life combined their analyses with moral and cultural considerations more often than is usually the case in today's specialized intellectual environment. Among the topics discussed then, but in ways that have since often been forgotten, are the nature of exchange relations and their effects on a traditional and hierarchical social order, the role of commerce in fostering civility and sociability, the effects of commerce on the fabric of community life, the dangers to moral virtue posed by increasing prosperity, the impact of commerce on sex roles and the condition of women, and the complex interplay between commerce and civil or political liberty.

This anthology evokes the breadth and depth of consideration of these issues in the early modern period in two ways: first, by bringing together writings by well-known authors from a variety of historical sources and literary genres that are scattered and sometimes difficult to access; second, by bringing to light materials from less well-known sources that were influential at the time or significantly reflective of

contemporary opinion in the several generations before the effect of Adam Smith's *Wealth of Nations* (1776) began to be felt.

The terms in the title and subtitle should be explained. The word "commerce" had a resonance in the eighteenth century, and especially the seventeenth century, somewhat different from what it has today. There was a sense in which its primary usage concerned social relations—as, for example, in common phrases such as the "commerce of the sexes" and the "commerce of self-love." The economic dimension often appeared as a metaphor for, or as a part of, the larger whole. (It was partly to illustrate this feature that the Nicole reading was chosen.) In the eighteenth century, on the other hand, a quite different linguistic transfer begins to emerge. As commerce comes to assume a larger place both in the reality of European life and in the imaginations of its best-informed observers, commerce becomes something of a synecdoche for the economy as a whole—a tendency that is especially clear in the Vincent de Gournay reading and to a lesser extent in Abbé Saint-Pierre. In the Scottish tradition of the four-stages theory of historical evolution, represented here by John Millar of Glasgow and by William Robertson, "commerce" comes almost to stand for the modern era in all its facets.

As to "culture," what is meant is evidently not the formal works of art or music often associated with that term, but rather the anthropologist's wider notion of a system of symbols embodying the shared or contested values of any society—the full range of resources a society draws on to lift itself above the status of mere nature. The question arose of how to fit a growing commitment to commerce as a public good into a social order that continued to be largely defined by other values. Some of the most contentious arguments over commerce concerned apprehensions about the broader culture that have simply disappeared from our view. Coyer's *La Noblesse commerçante* (1756), translated and excerpted in this volume for the first time, had an immediacy and a resonance for his contemporaries far beyond the level of sophistication contained in the purely economic analysis that underlay it. Similar points could be made about the readings from other authors such as Pluche, Galiani (especially his analysis of value in *Della moneta*) and the entries in the *Spectator*. Comments about the correlation between religion and economic life are interspersed throughout the writings of many of our authors.

Finally, we come to “liberty.” The close connection between the growth of commerce in the seventeenth and eighteenth centuries and the spread of liberty, as an idea and as a reality, has often been observed. Adam Smith, after all, frequently called his ideal economic arrangement a “natural system of liberty.” Other writers in the “liberal” tradition, such as Benjamin Constant, detected a “modern” species of liberty appropriate to commercial society and clearly distinct from an “ancient” version that was not. A central purpose of this anthology, therefore, is to flesh out some of the specific ways in which this association between economic liberty and liberty in general came into being.

But again, the theme of liberty was a multifaceted one in the writings of the period. While many authors saw a mutually supportive relationship between the growth of commerce and the spread of liberty (de la Court, Trenchard and Gordon in their *Cato's Letters*, and Hazeland make the connection explicit even in their titles), there were various ways of construing “liberty” in its relation to commercial society. Andrew Fletcher of Saltoun, Jean-Jacques Rousseau, and John Brown (and perhaps the later Galiani) were among many late seventeenth- and eighteenth-century observers who saw the spread of commerce as contributing to a loss of a certain kind of liberty, and their perspective is deliberately well represented in this volume. In addition, there is the question whether an absolute monarchy was less conducive to commercial liberty than a republic. De la Court, Trenchard, and Gordon were among those who certainly thought so, but Law makes an important and not unrepresentative case that the French monarchy, at least, was more likely to guarantee the conditions of flourishing commerce than its competitors. It was the arch-mercantilist Colbert, after all, who famously asserted that “liberty is the soul of commerce.” The question, then, was problematic in ways that may surprise some twenty-first-century readers.

If some of the readings contained in this anthology evoke an alien thought world, there are many others likely to bring the reader a shock of recognition. The eighteenth-century complaints about a new philosophy of “self-interest” associated with Mandeville, Hume, and others are redolent of more recent debates about the role of private good in contributing to (or detracting from) the public good. The century-long debate over luxury (see Melon, Voltaire, Brown, and Saint-Lambert for

examples) evokes, and puts in perspective, later arguments over everything from the redistributive effects of a market economy to the corrupting influence of a supposed “decade of greed.” Does market morality have a liberating or a dehumanizing effect on the condition of women? *The Spectator*, Hume, Galiani (*On Money*), Gournay, Turgot (*Reflections*), and Millar are among those who already had things to say about the question. Is the spread of capitalism conducive to political liberty, as observers of South Korea, the Philippines, and (most important) China have claimed or hoped? De la Court, Hazeland, and *Cato’s Letters* have been there before us—in ways similar enough to be revealing and different enough to be intriguing.

The collection is also notable for the textured continuity that emerges in the passage through the texts. So diffuse and open-ended are the authorial references one to another, and so little are they dominated by a single voice, a single doctrine, or a single tendency of thought, that it is no exaggeration to call their authors participants in a conversation—an extended and continuing one that picks up intensity as the eighteenth century unfolds. Sometimes the exchanges could be pointed and focused: Mandeville was directly and immediately rebutted by Blewhitt (although not definitively, as Mandeville remained a general presence in the conversation for the remainder of the century). Voltaire seems to have been inspired to intervene on commercial topics only somewhat less directly by his reading of Melon’s essay (Melon in turn was a protégé of John Law, who learned much of what he knew about finance by studying the Dutch scene). Rousseau’s critique of Hume is thinly veiled, Saint-Lambert’s embrace of Hume lightly wrought. Montesquieu, though not normally viewed as an economist, had a huge impact. His distinction between an “economy of necessity” and an “economy of luxury” was picked up by many writers (cf. Hazeland, ch. 26, and Coyer, ch. 27), and a single comment of his on the propriety of noble commerce (bk. 20; see ch. 20) unleashed a flood of pamphlets (see Brown, ch. 28, and Coyer, ch. 27). The eighteenth-century Frenchman Gournay translated the seventeenth-century Englishman Josiah Child; his protégé Turgot then cited Child and the Dutchman de la Court as the two founding fathers of modern economic theory. In 1768, the Physiocrats were at the height of their influence, and Du Pont de Nemours proudly summarized their achieve-

ment. By 1769, Galiani could strike a responsive chord with a hilarious attack upon them. There is no orchestrated or preordained end to such a polyphonic colloquy. No End of History was sensed or articulated by the authors who were grappling with these novel, confusing, indisputably significant matters during the period covered in this volume.

To my knowledge, there is no remotely comparable precedent to what has been attempted here. In the nineteenth century, there were both French and English (and perhaps other) collections of early works on political economy. These anthologies consisted of small numbers of sometimes lengthy and unabridged works deemed to be forerunners of the science of political economy. J. R. McCullough, for example, produced an anthology of eight seventeenth-century tracts—all of them English, and all complete texts—for the Political Economy Club of London (of which he was a member) in 1856. His chief criterion for selection, aside from the work's rarity, was a frankly teleological search for anticipations of “those liberal commercial principles now so generally diffused.”¹ Similar observations could be made about other works, such as Eugène Daire's collection, *Economistes financiers du XVIIIe siècle* (Paris: Guillaumin, 1843), which was part of the *Collection des principaux économistes* series by the same publisher. The present volume, however, is less about disciplines than about discourses; the purpose is to convey some of the ways in which contemporaries proceeded to think and write about the “new economy” they were observing.

The present anthology cannot, of course, pretend to be comprehensive. Although there were significant discussions of commercial society by Italian, German, and Dutch writers, among others, this anthology contains almost exclusively works written in English or French. In addition, although there were many interesting discussions of trade and the tradesman in Renaissance Italy and in the sixteenth century, the present work focuses on the seventeenth and eighteenth centuries. Within such limits, however, this volume aims to provide a broadly representative sample of what informed and articulate Europeans were thinking about commerce and commercial society in the century and a half before Adam Smith.

1. J. R. McCulloch, ed., *Early English Tracts on Commerce* (London: Political Economy Club, 1856; reprint, Cambridge, 1952), iii.

The anthology consists of writings by thirty-three authors. Of these, ten were English, thirteen French, five Scottish, two Dutch, and one each were Swiss, Irish, and Italian. As to family background, seven of the authors were born into nobility (North, Fletcher, Saint-Pierre, Hume, Montesquieu, Turgot, and Saint-Lambert), fifteen into what might be described as professional families (de la Court, Nicole, Steele, Law, Trenchard, Mandeville, Melon, Voltaire, Fielding, Brown, Robertson, Galiani, Millar, and Condillac), and seven into the trades (Walwyn, Child, Defoe, Barbon, Gournay, Rousseau, and Du Pont de Nemours). These categories are of course fluid and more than a little arbitrary. Under “professions,” for example, I count clerical positions and government officials as well as traditional fields such as law and medicine. “Nobility” includes the meager landed estates of Hume and Saint-Lambert, as well as the august titles of Turgot. By “trades,” I mean to include well-to-do exporters such as the Gournay and Child families, as well as the more artisanal backgrounds of Walwyn or Barbon. In addition, it has not proved possible to know with certainty the family backgrounds of all the authors represented here. What binds all our writers together, not surprisingly, is that they hail from the reading classes; there are no sons of illiterate peasants to be found here.

As to the occupations pursued by our thirty-three writers, what is noteworthy is that in the age before the academic discipline of economics developed, significant contributions could be made by persons from a wide variety of careers, mostly of a nonacademic nature. Here, the trades, including commerce and finance, count seven authors (Walwyn, Child, de la Court, North, Law, Gournay, and Barbon after he discontinued his medical practice). The professions account for six more (Mandeville, Montesquieu, Hazeland, Brown, Robertson, and Millar). What might be called the life of private or public service, mainly for noble families or governments, is mostly responsible for six others (Saint-Pierre, Melon, Pluche, Galiani, Turgot, and Condillac). Recognizably noble lives were led by two others (Fletcher and Saint-Lambert), and ten authors are probably best described as men of letters (Steele, Trenchard, Defoe, Voltaire, Hume, Fielding, Coyer, Rousseau, Du Pont de Nemours, and Raynal), with all the uncertainties, anxieties, and ambiguities that that designation often entailed. These categories are even more overlapping

and inconclusive than those for family background. Saint-Lambert, for example, abandoned his military career at age forty-two and spent the remainder of his days as a man of letters. Montesquieu began his career in the law but ended it as a writer. Fielding followed something of the opposite trajectory, beginning as a playwright and becoming a magistrate. Several authors straddled the fence between a life of letters and government connections (Du Pont de Nemours and Raynal, among others). Only a very few of our authors were primarily academics, and they tended to be the Scots (Millar and Robertson), a useful reminder of the importance of the university in the Scottish Enlightenment.

There was no necessary connection, of course, between the background or occupation of an author and the content of his writing. The nobleman Fletcher attacked the modern system of commercial liberty; the nobleman Saint-Lambert defended it. The artisan Walwyn promoted free trade; the financial wizard John Law praised absolute monarchy. The young Galiani seemed in *On Money* to be friendly to an extended marketplace; the older Galiani of the *Dialogues* attacked at least the Physiocrats' version of free trade in grain. (Is there a Galiani Problem, then, to go along with the Adam Smith Problem?) The complex and vigorous play of ideas transcended, then as now, the bare biographies of those who fashioned them.

The principles of selection for this volume have proven to be multiple, overlapping, and difficult to harmonize. First, because of the thematic considerations cited above, technical works of economic analysis have for the most part been avoided. Thus, treatises that might be of great interest to twenty-first-century historians of economic thought—such as Quesnay's *Tableau économique* (1759) and other works by the Physiocrats—have not been well represented in this collection. Second, there is the obscurity factor: A principal purpose of the volume has been to bring to light works that were better known in their time than they have since become. Partly, this decision has arisen from the general conviction that a familiarity with more than merely a few enduringly famous authors was in the interests of both historical and philosophical understanding. Partly, it derives from the more specific judgment that there were many writings from the period before Adam Smith that have noteworthy things to say about commercial society and economic life, and that

readers who are interested in Adam Smith or his successors might well be interested in some of his predecessors. But third, an effort was also made to choose works that either were influential and well regarded in their own time or are meaningfully illustrative of contemporary opinion. Brown's *Estimate* and Coyer's *La Noblesse commerçante* (both published in 1756) caused quite a stir in their own time, no matter how thoroughly they may have been forgotten since then.

Within these thematic constraints, there are other principles of selection. A concerted effort has been made to minimize editorial intrusion so as to permit readers to judge for themselves the significance of the texts. This was done, in the first instance, by reproducing complete texts wherever possible. Fifteen of the readings offered here are full and unabridged texts: Walwyn, Barbon, North, Fletcher, Law, Voltaire (three separate pieces, each complete), Hume, Gournay, Hazeland, Rousseau, Turgot ("In Praise of Gournay"), Saint-Lambert, and Du Pont de Nemours. Another four are integral and free-standing texts within larger works: Child, Mandeville, the *Spectator* entries, and the *Cato's Letters* entry. Nine other readings are complete chapters or divisions, single or multiple, within larger works: de la Court, Blewhitt, Defoe, Melon, Pluche, Montesquieu, Galiani (*On Money*), Brown, and Raynal. The chief cost of cleaving so closely to a full-text bias in editorial selection is that readers will occasionally find that a text runs on beyond useful or interesting limits, or that it buries its jewels of novelty and insight inconspicuously in the middle or at the end. This was thought to be a cost worth paying in the interest of retaining maximum textual fidelity.

There were, however, some texts and/or authors that seemed so important to the purposes of the collection as to merit risking the charge of editorial intrusiveness in including them, even though it was not possible to present either full texts or clearly defined portions of text. These were Nicole, Saint-Pierre, Fielding, Coyer, Robertson, Turgot (*Reflections*), Galiani (*Dialogues*), Millar, and Condillac. While a good-faith effort has been made to avoid taking these texts out of context, and while some effort has been made to situate the excerpt within its larger work, the only way to be fair to any of these authors, it goes without saying, is to read them whole.

The Adam Smith reference point in the subtitle does not, of course, escape the charge of arbitrariness. There were many obscure and interesting writings after 1776 just as there were before. Nor is there anything overtly teleological about the selections contained here. An author was neither more nor less likely to be included by virtue of having exerted an influence on *The Wealth of Nations*. It simply seemed that 1776 was a convenient terminal point because of the significant ways in which political economy, and the broader discussion of commercial society, evolved after the publication of that sprawling masterwork, and because of how much better known its story is after 1776 than before.

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Editor's Note

Some of the following readings are borrowed from modern scholarly editions. These include the works by Walwyn, Fletcher, Mandeville, the *Spectator*, *Cato's Letters*, Hume, Montesquieu, Fielding, Gournay, Rousseau, Turgot, Robertson, Galiani, Millar, and Condillac. In these cases, most of the scholarly apparatus of the respective editors has been retained, widely variable though they are. In a few cases, I have been obliged to use earlier editions that contain less full editorial apparatus. These include the works of Barbon, North, Law, and Voltaire. For the most part, I have maintained those editions intact with minimal changes, though with occasional explanatory notes and glossary help indicated by the use of brackets. Finally, there are some works reproduced here that come directly from original or near-original editions and that are virtually lacking in editorial apparatus. De la Court, Child, Nicole, Defoe, Saint-Pierre, Pluche, Melon, Hazeland, Coyer, Brown, Saint-Lambert, Du Pont de Nemours, and Raynal fall in this category. Here, though I have refrained from attempting the full-scale historical-critical apparatus one will find, for example, in the Fielding excerpt below, I offer at least some basic identifications and annotations to assist in understanding the authors' arguments.

Unless otherwise indicated, the footnotes are by the original author and this editor's notes will appear in brackets. Where convenient, archaic or foreign terms are clarified in brackets within the text or in footnotes; when they appear more than once, they are usually relegated to the Glossary and indicated by a degree sign. For linguistic help, I have drawn

mainly on Samuel Johnson, *A Dictionary of the English Language*, 4 vols. (Philadelphia, 1818–19); Antoine Furetière, *Dictionnaire universel*, 2nd ed. (Rotterdam, 1702; orig. pub. 1690); and *Dictionnaire de l'Académie Française* (Paris: Coignard, 1694).

Translator's Note

About a quarter of the texts contained herein consist of original translations from the French. These include Pierre Nicole, *Essais de morale*; John Law, "Idée générale du nouveau système des finances"; Abbé de Saint-Pierre, *Projet pour perfectionner le Commerce*; Noël-Antoine Pluche, *Spectacle de la nature*; Vincent de Gournay, "Mémoire"; Jean-Jacques Rousseau, "Le Luxe, le commerce et les arts"; Gabriel François Coyer, *La noblesse commerçante*; Jean-François Saint-Lambert, "Luxe," in *Encyclopédie*; Pierre Samuel Du Pont de Nemours, *De l'Origine et progrès d'une science nouvelle*; and Ferdinando Galiani, *Dialogues sur le commerce des bleds*. These translations are the joint effort of the editor and of Pauline Collombier of the Ecole des Hautes Etudes in Paris. Although different texts posed different problems—the government memorandum of a Law or a Gournay is obviously a very different literary production from the dialogues of Galiani—our general aim has been to render the substance of the author's meaning as faithfully as possible, with a minimum of interpretive interjection. Where terms proved difficult to translate into English, we have usually supplied the original in brackets and sometimes provided a glossary entry at the back of the volume, especially if the term was used frequently.

Acknowledgments

Many scholars from diverse fields have responded to my inquiries over the years, among whom I am pleased to thank Garry Apgar, Karen Bloom, Grant Campbell, Noel Chevalier, John Dussinger, Hans Eicholz, David R. Evans, Peter Galie, James E. Gill, Daniel Gordon, M. M. Goldsmith, Thomas Kaiser, Cynthia J. Koepp, Dorothy M. Medlin, Benoit Melancon, George Mosley, Jerry Z. Muller, Hans Rudolf Nollert, Irwin Primer, Salim Rashid, Jane Rendall, Elaine Riehm, and Silvia Sebastiani. They, of course, bear no responsibility for the use I have made of their advice.

Closer to home, David Coffta and Thomas M. Banchich of the Classics Department of Canisius College helped with some of the Latin and Greek translations, Dena Bowman of the History Department office performed innumerable copying and collating tasks, and my research assistant Robert Martin did yeoman service in the compiling of the seed list for the index. The staffs of many libraries offered courteous and efficient service; in particular, the reference staffs and interlibrary loan services at Canisius College and Dartmouth College were both very helpful over a long span of years. Any blunders and deficiencies that remain are entirely my own.