

# OUT OF THE COFFEE HOUSE OR HOW POLITICAL ECONOMY PRETENDED TO BE A SCIENCE FROM MONTCHRÉTIEN TO STEUART\*

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*Abstract: The essay investigates the proposition that economic questions are a fit subject for science. This investigation will involve a selective examination of seventeenth-century writings before looking at again selective Enlightenment texts. The essay is deliberately wide ranging, but it aims to pick out the emergence or crystallization of political economy by noting how theorists sought to establish it as a subject matter and in the process develop ways of studying it that aimed to uncover regularities and exhibit generality, systematicity, and precision. Together these supported its pretensions or claims to be a science that would in a Baconian manner be useful and free of the perceived shackles of a moralistic classical disparagement of economic activity.*

**KEY WORDS:** Economy, Enlightenment, language, science, Condillac, Hobbes, Hume, Montchrétien, Smith, Steuart

## I. INTRODUCTION

My title comes from the opening paragraph of Hume's essay "Of Commerce," where he remarks that, "an author is little to be valued, who tells us nothing but what we can learn from every coffee-house conversation."<sup>1</sup> That essay itself opens his 1752 *Political Discourses*, a collection that contains his most concentrated work on "oeconomy"—a term that he uses sparingly. And his employment of "political" in the title is not idiosyncratic; it is possible he was deliberately alluding to some contemporary works.<sup>2</sup> The contents give a good indication of the topics he thought worth scrutinizing. In addition to commerce, he wrote on luxury (refinement), money, interest, taxes, credit, population, and trade, plus a couple of other subjects. In this essay I investigate the proposition that topics such as those addressed by Hume are a fit subject for science.

\* I am grateful to David Schmitz, the other contributors to this volume, and an anonymous reviewer for comments and observations about the contents of this essay. Earlier versions of the essay benefited from comments by Glasgow colleagues and from Pedro Pimenta, Fernão de Oliveira Salles, Leonardo Müller and other participants at a conference at the University of São Paulo (I am especially grateful to Professor Pimenta for his invitation and support). I am also indebted to Jose Menudo and Gilles Campagnolo for their helpful observations.

<sup>1</sup> David Hume, *Essays, Moral, Political and Literary*, ed., E. Miller (Indianapolis, IN: Liberty Press, 1987), 253.

<sup>2</sup> Hume is sparing in his use of the term "oeconomy" in the volume (see *Essays*, 354, 383, 447). For his use of "political" for his title, compare Jean-Francois Melon, *Essai Politique sur le Commerce* (1735), Charles Dutot, *Réflexions Politiques sur les Finances et le Commerce* (1738). Hume knew and cited both works in the *Political Discourses*.

This investigation will involve a (necessarily selective) examination of seventeenth-century writings before looking (again with necessary selectivity) at Enlightenment texts. But before starting that enquiry, and given the diffuse character of the discussion, I want to identify its key themes. I endeavor to pick out the emergence or crystallization of political economy by noting how representatively these writers sought to establish a subject matter and in the process develop ways (the plural here is not insignificant) of studying it that aimed to uncover regularities and exhibit generality, systematicity, and precision. Together these supported the pretensions (or claims) that, as a science, political economy would pursue Francis Bacon's aim of being useful and also be free of the perceived shackles of a moralistic classical disparagement of economic activity.

## II. SOCIAL SCIENCE AND ITS ORIGINS

In those opening paragraphs Hume draws a distinction between "particular deliberations" and "general reasonings." The former characterize "coffee house conversations" and shallow thinking, the latter characterize the work of "philosophers." What the philosopher does is identify within a host of particulars and "superfluous circumstances" the "general course of things" and develops "universal propositions" that "include a whole science in a single theorem."<sup>3</sup> This ambition echoes the argument Hume had propounded in the "Introduction" to his *A Treatise of Human Nature* (1739–40), where he outlines his conception of the "science of man." That science, he proclaims, is the "only solid foundation" for a "complete system of the sciences."<sup>4</sup>

The key premise of the science of man is that human behavior exhibits significant regularities. Without this constancy there could be no social science. It is assumed, he says, in "politics, war, commerce, oeconomy" (his one explicit use of the term in the *Treatise*). This is the way the social world works; just as the prince expects taxes to be paid, so a merchant "looks for fidelity in his factor."<sup>5</sup> This is an evidential certitude, like that of the

<sup>3</sup> Hume, *Essays*, 253–55. This definition of science is reiterated in his *History of England* (3 volumes) (London: George Routledge, 1894), I, 338.

<sup>4</sup> David Hume, *A Treatise of Human Nature* (1739/40), ed. L. A. Selby-Bigge and P. H. Nidditch (Oxford: Clarendon Press, 1978), xv, xvi.

<sup>5</sup> *Ibid.*, 405. Compare in a clear "economic" context his observation, "[the poorest artificer] expects that when he carries his goods to market and offers them at a reasonable price, he shall find purchasers and shall be able, by the money he acquires, to engage others to supply him with those commodities which are requisite for his subsistence. In proportion as men extend their dealings and render their intercourse with others more complicated, they always comprehend in their schemes of life a greater variety of voluntary actions which they expect, from the proper motives, to co-operate with their own," *Enquiries concerning Human Understanding and concerning the Principles of Morals*, eds., L. A. Selby-Bigge and P. H. Nidditch (Oxford: Clarendon Press, 1975), 89 (my emphases). Both this quotation and that from the *Treatise* are found in the sections on "Liberty and Necessity" where Hume is forthright in his assertions that human behavior is regular and uniform.

criminal on his way to the scaffold foreseeing his execution, through a combination of “moral evidence” that the guards will prevent escape and the “physical evidence” of the effect of an ax on the human neck.<sup>6</sup>

All of this is in line with Hume’s self-conscious endeavor to put the study of moral subjects on a “new footing.”<sup>7</sup> That aim, of course, presupposes a replacement of earlier accounts and that, in turn, supposes that these accounts are less adequate or outmoded. And, given the sweep of moral science, this replacement will encompass the study of the “oeconomy.” In the latter context, two sources of inadequacy can be discerned. First, the weakness of the coffee-house discussions is their very specificity. Often *pièces d’occasion*, they deal with contemporary “economic” crises, especially questions of trade in the particular light of vindicating merchant-adventurers and Trading Companies, a task that involved excursions into the impact of interest rates and merits of restricting imports and increasing the amount of national bullion. The second inadequacy is that some of that literature is still caught up in a moralistic attitude toward traders and consumption, such that importing luxury goods weakens a nation not only economically but also morally, thus justifying sumptuary laws. That attitude is a legacy of those Roman thinkers Hume calls “severe moralists,” naming Sallust as an example.<sup>8</sup>

Hume’s very self-consciousness raises the issue of “origins.” Does political economy only start with Hume’s post-Newtonian Enlightenment notion of social science?<sup>9</sup> To answer that question positively seems to grant too much too quickly. Accordingly, I want to say something about earlier speculation. Some caveats are needed here since any definitive search for “origins” is bound to be elusive. According to Michael Oakeshott, this quest itself is misconceived; it is an unhistorical “arrest” in “experience.”<sup>10</sup> In less loaded terms, in practice the identification of an “origin” is often a statement of ignorance of predecessors. Finally, I take seriously the fact that in the literature and period under discussion terms are fluid. Accordingly, in what follows I do not impose stipulated meanings of my own on “science” or “economy.” This forbearance is (at least in part) a recognition that both of these terms remain contested. But those issues in current scholarship are not

<sup>6</sup> Hume, *Enquiries*, 90.

<sup>7</sup> Hume, *Treatise*, xvii. For more on this, locating Hume in a wider Scottish context, see Christopher J. Berry, “The Rise of the Human Sciences,” in Aaron Garrett and James Harris, eds., *Scottish Philosophy in the Eighteenth Century* Vol.1 (Oxford: Oxford University Press, 2015), 283–322.

<sup>8</sup> Hume, *Essays*, 275.

<sup>9</sup> A key methodological principle in the execution of the science of man is tracing observational “experiments” to universal principles, that is, by “explaining all effects from the simplest and fewest causes,” Hume, *Treatise*, xvii. Compare Isaac Newton’s first rule of reasoning, “Nature is pleased with simplicity and affects not the pomp of superfluous causes,” in *Newton’s Philosophy of Nature: Selections from His Writing*, ed., H. S. Thayer (New York: Hafner, 1953), 3.

<sup>10</sup> Michael Oakeshott, *Experience and its Modes* (Cambridge: Cambridge University Press, 1933), 2–4, 131. See also his “The Activity of Being an Historian,” in *Rationalism in Politics and Other Essays* (London: Methuen, 1962), 137–67.

germane to this enquiry, which is focused on the claims/self-understandings of seventeenth- and eighteenth-century writers to treat questions of trade, wealth, rates of interest and the like in a (variously expressed) scientific manner or *esprit systématique*.

### III. MONTCHRÉTIEN AND THE CLASSICAL HERITAGE

Nonetheless, in practical terms an arrest has to be inserted. I start with Antoine de Montchrétien. The received wisdom is that the first use of “political economy” is in the title of his *Traicté de l’oeconomie politique* (1615), though bearing out the elusiveness mentioned above, the term itself is not his coinage.<sup>11</sup> The book is usually seen as having little merit. One such dismissive judgment, and one apposite to my argument, is that it “lacks the remotest semblance to a scientific work.”<sup>12</sup> However, I think that judgment is a little hasty. For any “science” there needs to be a subject matter but this is never a given; it takes time for a subject to become defined and, especially for the social sciences, it is formed partly in response to social changes and partly through creative exploitation of existing terminology. On that basis Montchrétien’s title is not incidental.

The volume itself comprises four parts—manufactures, commerce, navigation, and “the example set by and responsibilities of the prince.” The first three constitute staple ingredients in what has recognizably become the subject matter of economic enquiry. The final part reflects the fact that the *Traicté* is dedicated to the king (and his mother), and in one light it looks like a contribution to the contemporary outpouring of “reason of state” literature and the “mirror of princes” tradition. But two observations can be made. Its focus is less on the maintenance and operation of effective governance than, as its title announces and content demonstrates, on “political economy.”<sup>13</sup> Also the notion that “economic” advice can be usefully and appropriately given to those with power is a central, quasi-definitive feature of the literature that follows.<sup>14</sup> This practical Baconian intent remains present in Hume as when in the *Political Discourses* he argues that correct causal

<sup>11</sup> James King identifies an earlier usage by Louis Mayerne-Turquet in 1611. See “The Origin of the Term Political Economy,” *Journal of Modern History* 20 (1948): 30–31.

<sup>12</sup> Paul Harsin quoted in King in “The Origin,” 230. Among other judgments to the same effect are William Letwin, *The Origins of Scientific Economics* (New York: Doubleday, 1964), 233; Henry Spiegel, *The Growth of Economic Thought*, rev. ed. (Durham, NC: Duke University Press, 1983), 94; Terence Hutchison, *Before Adam Smith: The Emergence of Political Economy 1662–1776* (Oxford: Blackwell, 1988), 17; and Joseph Schumpeter, *History of Economic Analysis* (London: Allen and Unwin, 1954), 168. A more positive assessment is given by Jean-Claude Perrot, *Une Histoire Intellectuelle de l’Économie Politique* (Paris: Éditions de l’École des Hautes Études en Sciences Sociales, 1992), 63–66, 73.

<sup>13</sup> Giovanni Botero, for example, paid relatively little attention to industry and commerce, though he did allow that the power of state is now judged as much by its wealth as its size, (*Ragion di Stato* [Venice 1589], VII, 3).

<sup>14</sup> See Sylvana Tomaselli, “Political Economy: The Desire and Needs of Present and Future Generations,” in Christopher Fox, Roy Porter, Robert Wokler, eds, *Inventing Human Sciences* (Berkeley: University of California Press, 1995), 292–322.

reasoning matters because only then, and implicitly contrary to coffee house conversations, can it be “of use in the conduct of public affairs.”<sup>15</sup>

Given these observations, I want to pursue another facet of Montchrétien’s treatise. In what is admittedly a passing comment, he explains his title and in so doing takes a further step toward carving out the subject. While he discusses “classical” authors respectfully, he also upbraids them precisely on the subject of his book. He argues that “contrary to the opinion” of Aristotle and Xenophon, to separate the household (“*l’oeconomie*”) and government (“*la police*”) is to dismember the whole; he expresses his astonishment that they forgot the “public household.” The “science of acquiring goods” is common to both states and families.<sup>16</sup> This commonality can be seen to have two important implications (even if they are not explicated by Montchrétien himself). First is his awareness of the classical etymology and genealogy of the term and subject matter of political economy. This self-consciousness is also evident in James Steuart’s *Principles of Political Oeconomy* (1767), the first book in English with “political economy” in its title. In his opening chapter Steuart implicitly acknowledges the Greek roots of “economy” by defining it as “the art of providing for all the wants of a family, with prudence and frugality” and then declares, “what oeconomy is in a family, political economy is in a state.”<sup>17</sup> Notwithstanding that declaration, he is explicit that there are “essential differences” between political economy and familial oeconomy; the literal despotism of the latter is inapplicable in the former.<sup>18</sup> (I will return to Steuart.)

The second implication is more consequential. That “essential difference” in Steuart and Montchrétien’s “astonishment” at Aristotle’s separation reflects an appropriation of existing terminology and, crucially, a normative shift. The far-reaching and significant consequence that I want to bring out is that the notion of “political economy,” as a fusion of what has been kept apart, subverts, in effect, the normative hierarchy between “politics” and “economics.”

For Aristotle, the function of the household (*oikos*) is the satisfaction of needs, and ideally these should be accomplished through the use of its own resources. He does allow that it is permissible for a household to engage in

<sup>15</sup> Hume, *Essays*, 304. For Hume’s criticism of those who fallaciously mistake a collateral effect for a cause, see my 2006 article now reprinted in Christopher J. Berry, *Essays on Hume, Smith and the Scottish Enlightenment* (Edinburgh: Edinburgh University Press, 2018), chap.11. Hume saw Bacon as a pioneer, a thinker who had “pointed out at a distance the road to true philosophy,” (*History* II, 212).

<sup>16</sup> Antoine Montchrétien, *Traicté de l’oeconomie politique*, ed., Thierry Funck-Brentano (Paris: Plon, 1889), 31–32. (All translations in this essay are my own.)

<sup>17</sup> James Steuart, *An Inquiry into the Principles of Political Economy: Being An Essay on the Science of the Domestic Policy in Free Nations*, in *Works*, 6 volumes (London: 1805) I:1, 2.

Jean-Jacques Rousseau similarly made clear that there is an “extreme difference” between domestic and political economy. See his article “Économie (Morale et Politique),” in Denis Diderot, ed., *Encyclopédie* (Geneva: 1755), V, 357.

<sup>18</sup> Steuart, *Principles* in *Works*, I, 16. The inclusion of “free nations” in his subtitle significantly speaks to this.

exchange when meeting needs, and thus when still fulfilling its proper “natural” function.<sup>19</sup> But this remains an instrumental task subordinate to the intrinsically worthwhile activities that constitute the “good life” of which “doing politics” is an integral component. From this perspective “economics” (literally maintaining the order of the household) was embedded in a moralized context. This moralization rested on a conception of a worthwhile human (male) life of freedom that is debased if it is spent slavishly pursuing merely necessary (unfree) existential ends.

A significant consequence of this moralized hierarchy was that those who engaged in exchange—traders or merchants—lived less than fully human lives. These individuals were thus disparaged. According to Aristotle, for example, in the best “state” (*polis*) those who live a “mercantile life” will not be citizens because such a life is ignoble and inimical to virtue.<sup>20</sup> It was not that men could not adopt the commercial life but that such a life was unworthy; it was akin, as Seneca and others had observed, to the inferior preoccupation with mere living that was the object of animals, slaves, and women. But more than that, merchants were superfluous and potentially corrupting intermediaries. Need-determined exchange was indeed “natural” but traders or merchants functioned to furnish and fuel desires, especially for goods to satisfy bodily satisfactions. The underlying argument was that needs are finite (when no longer hungry, stop eating), while these desires are infinite (I want fresh or wholemeal or rye bread and so on). And given the normative hierarchy of means/ends then the actions and motives of merchants were morally suspect. Merchants are motivated by their private interest, whereas a citizen in the full sense, that is, the independent male head of the household, dedicated his life to the public good. To anticipate a further argument, when “desires” come to be seen as the prime movers in human motivation, then this focused critique of merchants loses its normative force.

There are, of course, no sharp edges. Hence Montchrétien himself in a Sallustian manner still criticizes luxury for making men effeminate,<sup>21</sup> but that moralism is not prominent. More significantly he does not share the classical derogation of merchants.<sup>22</sup> They are not “a type of helot.” He says that their activity is useful to a “state” and their “avidity and desire for gain ... contributes to a large extent to the public good.” He admits that they more attached to their own gain than to that of the public and, while he gives to the “public servants” the tasks of ensuring that fair prices are charged and

<sup>19</sup> Aristotle, *The Politics* (London: Loeb Library, 1944), 1257a12.

<sup>20</sup> *Ibid.*, 1328b40-41. Similar sentiments can be found in Plato and Xenophon, while among Roman authors, Cicero judges merchants to be engaged in a sordid or demeaning activity; indeed, they have to tell lies to make a living (Cicero, *De Officiis* [London: Loeb Library, 1913], I, 150).

<sup>21</sup> Montchrétien, *Traicté*, 61.

<sup>22</sup> Montchrétien, as well as a playwright, was himself an (unsuccessful) knife manufacturer. Richard Giffiths, *The Dramatic Technique of Antoine de Montchrestien* (Oxford: Clarendon Press, 1970), 11.

preventing monopolies and frauds, he judges attempts to enforce norms of dress (sumptuary laws in effect) to be counterproductive.<sup>23</sup>

In all this Montchrétien is in line with the evanescence of the “classical” disparagement of commerce and its practitioners.<sup>24</sup> This attenuation does not operate in a vacuum. In grand simplifier mode, three contextual developments should be noted. First, a focus on political economy accompanies a recognition/consequence of the post-Reformation emergence of centralizing sovereign (national) states. Second, accelerated by the voyages of discovery and development of plantations, foreign trade becomes increasingly salient in discussions of political power along with the identification of problems surrounding exchange, money, and credit. Montchrétien makes frequent references to the Dutch, English, and Germans, while the role of the East India Company (and other such) is a focus for much English pamphleteering. Finally, Galilean science not only overturned Aristotelian physics, it also contributed to the overturning of Aristotelian teleological ethics. (Hume’s “new footing” reflects that.)

Economic studies are not immune to this bouleversement. Just as any science needs a subject matter, it also requires—now moving beyond Montchrétien—a methodology (such as Hume’s declaration that his science of man will employ an “experimental” approach). Hence arises the consideration that the more significant and far-reaching the subject matter, then the more important it is to study it effectively or scientifically and, as Hume has it, not to offer chimerical hypotheses but to proffer usable conclusions.<sup>25</sup> This development is integral to the argument that burgeons in the Enlightenment. “Science” is not only, as Adam Smith said, the antidote to superstition but also, across its various methodological expressions, has the authority to dispel the moralistic legacy of classical (and Christian) thought and the social, political, and economic values embedded therein.<sup>26</sup> Of course, this is a general process and the groundwork is laid in the previous century.

#### IV. DESIRES AND THE DEFENSE OF MERCHANTS

I start my own exploration with some remarks on Thomas Hobbes, not because he has much to say on “economic” issues<sup>27</sup> but because in his

<sup>23</sup> Montchrétien, *Traicté*, 137–41, 73–75.

<sup>24</sup> In 1602, William Fulbeck noted that both Plato and Aristotle saw “merchandizing” as “an enemy to virtue.” *Pandects of the Law of Nations* quoted in Keith Thomas, *In Pursuit of Civility* (New Haven: Yale University Press, 2018), 189.

<sup>25</sup> Hume, *Treatise* xxvii. A similar contrast using the same language is made by François Quesnay. See *Philosophie rurale ou économie générale et politique de l’agriculture*, 3 volumes (Amsterdam, 1764), I, 115.

<sup>26</sup> Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, ed. R. Campbell and A. Skinner (Indianapolis, IN: Liberty Press, 1982 [1776]), V.i.g.14/796. Jean D’Alembert’s *Discours Préliminaire* to the *Encyclopédie* (1752) exemplifies the self-conscious modernity of the Enlightenment.

<sup>27</sup> He devotes one chapter to nutrition of a commonwealth which consists of “Plenty and Distribution of Materials Conducting to Life,” and in the elaboration of which he discusses

account of motivation (predictable) and method (precision) he lays down key underlying premises in the developing enquiry that Montchrétien had labeled “political economy.” In *Leviathan* (1651), Hobbes locates the constancy of human motivation in desire and aversion. All humans move toward whatever pleases them and away from whatever pains them. On that predictable basis the Sovereign can govern effectively by threatening the infliction of pain on subjects to control their desires (to obtain pleasure), thus maintaining thereby peaceful coexistence.<sup>28</sup> There is a universality and constancy in human motivation. This central Hobbesian argument lies at the root of social science and was assumed in the voluminous literature on “trade” in seventeenth-century England.

To exemplify this I select Josiah Child, but only because exceptionally he explicitly names Hobbes. In his *Brief Observations* (1668: reproduced in his *A New Discourse of Trade* [1693]) in the course of his argument for the importance of thrift, he remarks that “men by nature are alike” and when he later repeats the phrase he adds as “Mr Hobbs has truly asserted.”<sup>29</sup> The way in which men are similar is in their psychology—all like pleasure and dislike pain. Hobbes is right about this but Child immediately adds “how erroneous however he [Hobbes] may be in other things.” The basic Hobbesian error, we can surmise, lies in his argument that *the* fact about humans is that they are ultimately concerned with their own well-being and preservation to the exclusion of others.<sup>30</sup> As long as other motivations were allowed, the predictable constancy Hobbes attributes to self-interest anchors explanation of economic behavior.<sup>31</sup> The corollary to the universality of passionate motivation is that reason plays an instrumental role, it “reckons” or calculates the way to bring about what is desired.<sup>32</sup> The conceptual gulf between this account of the relation between desire and reason and that operant, with rare exceptions, throughout classical thought is evident. Furthermore not only does Smith encapsulate in the butcher, and other traders, the reliable functionality of relying on self-interest, he also extends this to the supposedly privileged roles performed by citizen-legislators; the legislator and butcher will equally desire to better their condition.<sup>33</sup> Montchrétien’s

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questions of trade, money, and taxation. Thomas Hobbes, *Leviathan*, ed. R. Tuck (Cambridge: Cambridge University Press, 1991 [1651]), chap. 24.

<sup>28</sup> *Ibid.*, chaps. 6 and 17.

<sup>29</sup> Joseph Child, *A New Discourse on Trade*, 5th ed. (Glasgow: 1751), 42, 108. The last phrase is quoted by Joyce Appleby, *Economic Thought and Ideology in Seventeenth Century England* (Princeton, NJ: Princeton University Press, 1978), 125; and Andrea Finkelstein, *Harmony and Balance: An Intellectual History of Seventeenth-Century English Economic Thought* (Ann Arbor: University of Michigan Press, 2000), 145. Neither pursues the point.

<sup>30</sup> Hobbes, *Leviathan*, chap. 14.

<sup>31</sup> This is a central theme in Appleby’s *Economic Thought*. See also Albert Hirschman, *The Passions and the Interests* (Princeton, NJ: Princeton University Press, 1977) for a rather different trajectory; but the basic point is the same.

<sup>32</sup> Hobbes, *Leviathan*, chap. 5.

<sup>33</sup> Smith is extremely skeptical and wary of pretensions on the part of politicians to be acting for the public good, *Wealth* IV.ii.109/456, IV.ii.39/468, IV.vii.c.75/623, and so on.



implicit rejection of the normative superiority of “politics” over “economics” has become explicit in Smith as well as his contemporaries.

An integral element in the development of political economy between Montchrétien to Smith was an engagement with the legacy of the classical disparagement of the role of traders (self-interested economic agents). This initially produced a general defensiveness among those who supported their role.<sup>34</sup> Thomas Mun, for example, in his *England's Treasure by Foreign Trade* (published 1664) opens that tract by addressing “the nobleness” of the “profession” of merchant thus distancing himself from the Ciceronic denigration of their way of life. The activity of a “perfect Merchant” will—and here Mun makes the standard defensive maneuver—be such that “the private gain may ever accompany the publique good.”<sup>35</sup> While also according nobility to the mercantile profession, a rather more robust defense of merchants is given by Edward Misselden in his dispute with Gerard Malynes, who himself affirmed the “great dignitie” of “the State of a Merchant.”<sup>36</sup> Malynes, while articulating a careful account of exchange and finance, distinguishes between “the right use of exchange” and “merchandizing exchange” or trade for monies (what Aristotle called money-making).<sup>37</sup> Misselden objected to this distinction, asking rhetorically “is it not lawful for Merchants to seeke their Privatum Commodum in the exercise of their calling?” Indeed, he declares there is no one “more fit to make a minister for a King than an expert and judicious merchant.”<sup>38</sup> Misselden’s more forthright defense foreshadowed the positive assessment of the social and economic value of merchants that had by the mid-eighteenth century become commonly accepted. Indeed, Hume connects them with the entrenchment of liberty, as does among many others Malachy Postlethwayth.<sup>39</sup>

This same “modernizing” outcome arose from another aspect of Hobbes’s thought. He accompanied his account of the role of desires in establishing the regularity and constancy of human motivation with a methodology—a prescribed way to calculate accurately the consequences of that motion. To exemplify this I select Dudley North. In the “Preface” to his *Discourses upon Trade* (1691), North (or perhaps his brother Roger) declares that the *Discourses* will treat trade “philosophically,” that is, begin from “Principles indisputably true.” This “Method of Reasoning” is explicitly declared to be

<sup>34</sup> Mary Poovey aptly calls them “merchant apologists,” *A History of the Modern Fact* (Chicago: University of Chicago Press, 1998) xvii, 87f.

<sup>35</sup> Thomas Mun, *England's Treasure by Foreign Trade* (Oxford: Blackwell, 1928 [1664]), 1.

<sup>36</sup> Gerard Malynes, *Lex Mercatoria* (London, 1622), Dedicatory Epistle [unpaginated].

<sup>37</sup> Malynes, *A Treatise of the Canker of England's Commonwealth* (London: 1601), 55–56. Finkelstein calls Malynes “at heart an Aristotelian,” in *Harmony and Balance*, 27. More broadly, Mun (*England's Treasure*, 7) and Child (*New Discourse*, vii) both express sentiments that show they still feel they have to acknowledge the case for the moralized disapproval of commerce.

<sup>38</sup> Edward Misselden, *The Circle of Commerce* (London, 1723), 17, 19.

<sup>39</sup> Hume, *Essays*, 277; Malachy Postlethwayth, *Great Britain's True System* (London: 1757), 225.

“new.” By “new” here he means non-Aristotelian, and while he cites Descartes as a representative, in the particular respect of “method,” with its use of geometry as its model and its focus on deductive chains of reasoning, Hobbes is equally representative.

For Hobbes, “truth consisteth in the right ordering of names,” and it is this focus on precision and accuracy that prefigures some later self-identified articulations of the science of political economy.<sup>40</sup> The polemical force of North’s declaration is that “men’s notions of Trade” have, by implication, hitherto been “fallacious and full of Error.”<sup>41</sup> In the *Discourse* itself North declares that through application of the proper method, if the true principles are adhered to, then these fallacies will be exposed. Hence, the aim to establish a “balance of trade” is fallacious since “no Laws can set Prices in Trade, the Rates of which must and will make themselves.” Again, it is a “profound Fallacy” to use law to retain in the country gold and silver that trade has brought in. A final significant example is that sumptuary laws impoverish a country because “the main spur to trade or rather Industry and Ingenuity is the exorbitant Appetites of Men.” This unabashed conclusion obtains regardless of any moralistic indictment of such appetites and signals the extinction of any residual classical critique. As North pointedly observes, if men contented themselves with “bare Necessities we should have a poor world.”<sup>42</sup>

North is not alone in this. Nicholas Barbon had earlier argued against sumptuary laws, singling out Mun as an advocate.<sup>43</sup> Unlike North, Barbon adopts no overtly self-conscious “methodology” but proceeds by making distinctions and in this process he distinguishes “wants of the body” and “wants of the mind.” It is the latter where an overturning of the classical account is most evident (a central example of what I have called elsewhere “de-moralization”<sup>44</sup>). The wants of the mind are declared to be infinite as “Desires are enlarged”; they increase with wishes, which are for “every thing that is rare, can gratify his Senses, adorn his Body and promote the Ease, Pleasure and Pomp of Life.” The economic message is that an infinite array of trades is generated to meet these infinite wants—a process that results in overall societal benefit.<sup>45</sup> To similar effect, John Houghton, says that if on moralistic grounds all “superfluous trades” were removed, this

<sup>40</sup> Hobbes, *Leviathan*, 28. He links “Science” with the “knowledge of consequences” which begins from the “settled significations of names,” (*Leviathan* 35, 33).

<sup>41</sup> Dudley North, *Discourses upon Trade* (1691/92) reprinted in J. R. McCulloch, ed., *Early English Tracts on Commerce* (Cambridge: Economic History Society, 1952), 510–11.

<sup>42</sup> *Ibid.*, 502–03, 515, 527, 528–29.

<sup>43</sup> Nicholas Barbon, *A Discourse of Trade* (1690), ed. Jacob Hollander (Baltimore, MA: Johns Hopkins University Press, 1905), 11. For the claim that North “had absorbed” Barbon’s message, see Paul Slack, “The Politics of Consumption and England’s Happiness in the Late Seventeenth Century,” *English Historical Review* 122 (2007): 609–31, at 626.

<sup>44</sup> Christopher J. Berry, *The Idea of Luxury* (Cambridge: Cambridge University Press, 1994), chap. 5.

<sup>45</sup> Barbon, *Discourse* 14, 21, 31.

would both impoverish and weaken a nation.<sup>46</sup> He was criticized by John Beale—one of his contemporaries—for his “Hobbian” outlook.<sup>47</sup>

With the jettisoning of the moralistic condemnation of desire and sensory gratification by North, Barbon, and Houghton, together with the defense of merchants by Misselden and the others, the classical legacy has lost most of its potency. Yet despite this these writers remain essentially pamphleteers openly engaged in partisan contemporaneous controversies.<sup>48</sup> Viewed through the lens of Hume’s rhetorical conceit, they do not proceed self-consciously and systematically to develop “universal propositions,” and thus they are still participants in coffee house conversation.

## V. THE DEVELOPMENT OF ECONOMIC SCIENCE

By the end of the seventeenth century, considerable attention had been paid to refining and itemizing the subject that Montchrétien designated political economy, and some had been paid as to how best to study it. In the following century the latter became a focus as the language of “science” became more salient. Even in a still largely traditional discussion, John Cary opens his *Essay on Trade* (1719) with the declaration that the necessary first step is “to enquire into the Principles” because “[t]rade hath its Principles as other Sciences have.”<sup>49</sup> In Josiah Tucker’s far more accomplished work he states that “trade is a noble and interesting [i.e., important] science”<sup>50</sup> which, elsewhere, he conjoins with an emphatic declaration that “self-love is the great mover of created Beings” and that “the very being of Government and Commerce” depends upon the “right Exertion” of this principle.<sup>51</sup>

What undoubtedly gave a boost to this increased salience on science and principles is Isaac Newton. Given his spectacular success in the physical sciences, then his conjecture in the *Opticks* (1704) that as the analytical method of natural philosophy is perfected so “the bounds of moral

<sup>46</sup> John Houghton, *England’s Great Happiness* (London, 1677), 8.

<sup>47</sup> See James Jacob, “The Political Economy of Science in Seventeenth-Century England,” *Social Research* 59 (1992): 505–32, at 524. It was these expressions of “demoralization” that were later amplified by Mandeville and it was his open if still oblique defense of luxury and critique of frugality that kept the moralistic attitude to consumption alive and against which the self-styled scientists of political economy set themselves. Bernard Mandeville, *Fable of the Bees* (1721–32), 2 volumes, ed. F. B. Kaye (Indianapolis, IN: Liberty Press, 1988) I, 107–23. However, Mandeville himself never articulates a considered account of “political economy,” adopting for all intents and purposes a mercantilist perspective. See, for example, Harry Lindreth, “The Economic Thought of Bernard Mandeville,” *History of Political Economy* 7 (1975): 192–208.

<sup>48</sup> See B. E. Supple, *Commercial Crisis and Change in England 1600–42* (Cambridge: Cambridge University Press, 1959), chaps. 8 and 9.

<sup>49</sup> John Cary, *Essay towards Regulating the Trade and Employing the Poor of This Kingdom*, 2nd ed. (London, 1719), 1.

<sup>50</sup> Josiah Tucker, *A Brief Essay on the Advantages and Disadvantages which Respectively Attend France and Great Britain with Regard to Trade* (Dublin, 1757), iii. A little later it is called “this most useful and extensive Science” (*ibid.*, v).

<sup>51</sup> Josiah Tucker, *The Elements of Commerce* (Bristol, 1755) 6, 7.

philosophy will be extended,"<sup>52</sup> Newton inspired or challenged Hume and other Enlightenment scholars, as moral scientists, to seek to move beyond "coffee house" concerns. "Science" becomes a self-conscious "philosophical" endeavor to see the whole wood not just particular trees. Of course, for political economy this does not occur in a vacuum. The consequences of the "financial revolution," the lessons of the South Sea Bubble, and the preoccupation with "improvement," among other events, all made their mark.

Although Deborah Redman says "political economy is very much a Scotch [sic] science"<sup>53</sup> systematic enquiries are to be found across the Enlightenment. Books were rapidly translated, widely read, and disputed. Throughout this discussion and debate there is an increased appreciation and explicit identification of political economy. This is particularly noticeable in Italian authors. For example, Pietro Verri wrote a small work with the title *Meditazione sulla economia politica* (1771) which was translated into French, German, and Dutch (Smith owned a copy of the 1772 Italian edition). In that work Verri outlines what he calls the "general principles of economics" that establish the bases to promote the industry of a people, the growth of a population, and the wealth, power, and sustainability of a State.<sup>54</sup> Antonio Genovesi openly referred to "the science" of commerce and economics in his "Proemio" to both Parts I and II of his *Delle lezioni di commercio o sia d'economia civile da leggersi* (1755). Cesare Beccaria published *Piano d'istruzione per la cattedra di scienze camerali o sia di economia civile* (1768), a book that echoes contemporary German (and Swedish) speculation, all the more so given that Beccaria's work, like Genovesi's, is overtly pedagogical; and chairs in cameral studies had been established in Halle and Frankfurt in 1727, as well as Åbo in 1747 and Uppsala in 1759.<sup>55</sup> The Swedish polymath and Uppsala professor Carl von Linné (Linnaeus) in 1740 proclaimed: "no science in the world is more elevated, more necessary and more useful than Economics."<sup>56</sup>

One writer who openly identifies his subject matter as "economic science" is the Abbé Condillac in his *Commerce et le Gouvernement* (1776). He says that each science requires its own special language, but then says that with respect to economic science this has yet to be done, though it is a task he has set himself. That task was never fulfilled, but in a later edition (published 1798) he elaborates his understanding of "science." Its object is problem solving, and in economic science the task is discovering all the means to

<sup>52</sup> In Thayer, *Newton's Philosophy of Nature*, 179.

<sup>53</sup> Deborah Redman, *The Rise of Political Economy as a Science* (Cambridge, MA: MIT Press, 1997), 103.

<sup>54</sup> Piero Verri, *Meditazione sulla economia politica*, ed. Franco Venturi (Milan: Mondadori, 1998 [1728]), 33. Elsewhere he refers to the "science of political economy," which has as its subject pretty much the same list (quoted by Venturi from Verri's annotations of the *Meditazione* 165).

<sup>55</sup> See Andre Wakefield, "Cameralism: A German Alternative to Mercantilism," in *Mercantilism Reimagined*, ed. Philip Stern and Carl Wennerlind (Oxford: Oxford University Press, 2014), 136.

<sup>56</sup> Quoted in Lisbeth Koerner, *Linnaeus: Nature and Nation* (Cambridge, MA: Harvard University Press, 1999), 103. See Koerner, *Linnaeus*, chap. 5 for a discussion of Linnaeus' compendious notion of "economy."

obtain abundance.<sup>57</sup> Condillac wrote extensively on language from his Lockean inspired *Essai sur l'origine les connoissances humains* (1746) to his late (posthumously published) *Langue des Calculs* (1798). In the earlier work in a section devoted to Method, he locates the origin of error in “badly defined” ideas, and the origin of truth in those “well defined.” He gives mathematics as an example of the latter, while the former stem from ideas that have yet to be defined.<sup>58</sup> In the late work, echoing the prescription in *Commerce*, he declares that every analytical method is a language, and algebra is cited as “a well-constructed language.”<sup>59</sup>

Of course, as a good (if in his own eyes an improved) Lockean, Condillac is clear that experience is the basis of knowledge; but there is no division here. Well-constructed language or analysis is “the true secret of discovery” because it leads back to the “origin of things”; Nature “always speaks the most precise language” and the modern science of Galileo and Newton has been successful because of its analytical precision.<sup>60</sup> In this algebraic aspect of his thought Condillac can be said to be looking forward to the development to the now dominant econometric approach to economics—an approach with little apparent link to the subject’s pedigree (hence its indifference to its history) and which has ironically helped fuel a reactionary resurgence in the idea of “political economy.” But Condillac is also looking back. In addition to Locke, he is echoing Hobbes’s general critique of terminological vagueness, as well as Bacon’s assault on “idols of the market” to which the remedy (albeit imperfect) is definitions.<sup>61</sup> Both Bacon and Hobbes get positive mentions in his *Cours D’Études* (for the Prince of Parma) and in the same work he judges that political economy as a science didn’t exist before the seventeenth century (the Greeks articulated no principles and merely offered observations on their experience [seeing merely trees not the wood]).<sup>62</sup>

What Condillac exemplifies, more deliberately and self-consciously than earlier authors, is the contemporary focus on analytical precision and the identification of basic principles as key criteria of economic science. Condillac himself in *Commerce* establishes the precise relation between value, utility, and need. This then enables him, for example, to declare that it is “faulty reasoning” to see value as “an absolute quality” independent of judgments brought to bear and, more positively, to identify the “principles”

<sup>57</sup> Etienne Condillac, *Commerce et le Gouvernement* in *Oeuvres Complètes*, 3 volumes, ed. Georges Le Roy (Paris: Presses Universitaires de France, 1947–51 [1776]), II: 247.

<sup>58</sup> Condillac, *Oeuvres* I: 105, 106.

<sup>59</sup> *Ibid.*, II, 420. “Une langue bien faite” is a favorite phrase that recurs throughout his work.

<sup>60</sup> Condillac, *Essai sur l'origine les connoissances humains*, in *Oeuvres* I, 27; *La Logique*, in *Oeuvres* II, 413. See Isabel Knight, *The Geometric Spirit* (New Haven, CT: Yale University Press, 1968), chap. 9 for a discussion of the link between Condillac’s *Commerce* and his work on language.

<sup>61</sup> Hobbes, *Leviathan*, chap. 4; Francis Bacon, *Advancement of Learning* in *The Physical and Metaphysical Works of Lord Bacon*, ed. Joseph Devey (London: Bohn Library, 1868), 210.

<sup>62</sup> Condillac, *Cours d’Études* (Book 6) (1775) in *Oeuvres* II, 224, 226.

by which “to judge the true price of every thing.”<sup>63</sup> In this precision he is likely following the influential lead of Richard Cantillon, who in his opening sentence in his *Essai* also provides clearcut definitions of wealth, land, and labor.<sup>64</sup>

This Condillacian linkage between science and precision has another manifestation. If the advantage for science that mathematics has over words is the elimination of ambiguity and replicability of reasoning, then the assemblage of objective data can have the same function.<sup>65</sup> In other words, what William Petty, who worked with Hobbes, called “political arithmetic” can provide a solid and independently assessable base to correct mistakes and offer demonstrable premises for policy formation. The latter is what matters. Prompted by common laments about the deplorable state of the “Interest and Affairs of England” Petty adopts “the not yet very useful” method of political arithmetic instead of “using only comparative and superlative Words.” Rather more precisely, he says he wants to express his argument in terms of “Number, Weight and Measure” rather than “the mutable Minds, Opinions, Appetites and Passions of particular Men.”<sup>66</sup> What the “arithmetic” comprises are chiefly lists of tables of growth of population incorporating data on births, baptisms, and deaths. It is not the execution that is of note but the weight placed on its objectivity. That recourse is not for its own sake but for its usefulness.

<sup>63</sup> Condillac, *Commerce* in *Oeuvres* II, 247, 318. The use of “principles” is common (see, for example, Cary and Verri quoted above and its presence in the title of Steuart’s book as well as the subtitle of Condillac’s *Commerce*). The prestige of Newton’s *Principia* doubtless assisted its diffusion as is evident in Condillac’s definition in his *Traité des Systèmes*, “a system is more perfect when its principles are few in number: even better still when they are reduced to one” (*Oeuvres* I: 121). See Perrot, *Histoire*, 73, for a table of the rapidly increasing number of works published (in French) in the eighteenth century with *système*, *principes*, and *théorie* in their titles.

<sup>64</sup> Richard Cantillon, *Essai sur la nature du Commerce en général*, ed. Stéphane Couvreur (Paris: Coppet, 2001 [1755]), 1. Condillac called the *Essai* one of the best works on the subject (*Oeuvres* II, 276 n). His influence can be seen in Beccaria, Mirabeau, Postlethwayt, and Smith, among many others.

<sup>65</sup> See Poovey on “numbers” as the epitome of what she calls “the modern fact” in contrast to “interpretation,” *Modern Fact* xii, 123 (on Petty’s role).

<sup>66</sup> William Petty, Preface to *Political Arithmetic* (1690) in Charles Hull, ed., *Economic Writings of Sir William Petty*, 2 volumes (Cambridge: Cambridge University Press, 1899), I: 244. Though the term “political arithmetic” appears in the title of several of Petty’s pamphlets, he nowhere else spells out what he means. A contemporary commenting on Petty’s *Two Essays in Political Arithmetic* (1687) upon their publication observed positively that he had “made it appear that Mathematical Reasoning is not only applicable to Line and Numbers but also affords the best means of Judging in all concerns of humane life” in Petty, *Economic Writings*, II, 513 n. Notwithstanding that observation, the apparent contrast between (implicitly) rhetoric and the objectivity of the quantifiable should not be overdrawn. See Ted McCormick, *William Petty and the Ambitions of Political Arithmetic* (Oxford: Oxford University Press, 2009), 10, cf. 303. Nonetheless McCormick (5) also summarizes the broad scholarly agreement that political arithmetic was a “methodological innovation that brought the quantitative techniques and empirical spirit of the Scientific Revolution to practical questions of economy, society and politics.” Paul Slack claims political arithmetic is “the most striking manifestation” of the “deliberate creation of political economy” (*The Invention of Improvement* [Oxford: Oxford University Press, 2015], 3, cf. 91).

In this aspiration to objectivity and utilitarian intent Petty was followed by Charles Davenant<sup>67</sup> and, most notably, by François Quesnay and the Marquis Mirabeau's *Tableau Oeconomique*—though they say the tableaux are only a way of helping to illustrate their argument about economic circulation.<sup>68</sup> Nonetheless they were committed, in Mirabeau's words, to “economic science” as the “the immortal foundation of our subsistence and our manners.”<sup>69</sup> However, the part played by data and calculation should not be overemphasized. There were critics of the “mathematization of evidence,” like François Forbonnais,<sup>70</sup> while Beccaria, judged that “mathematical exactitude” is inapt thanks to the vicissitudes of human life, and that “political arithmetic” had to be replaced by “the calculation of probability.”<sup>71</sup> The Enlightenment saw much speculation in probability theory, but this is in line with the certitude Hume claimed for the science of man (recall the execution example); again, Beccaria illustrates this with his claim that “moral certainty is nothing but probability,” but judges that secure enough to “determine” criminality.<sup>72</sup>

## VI. SMITH AND STEUART

Adam Smith as is well known had little time for “political arithmetic” and thought that Quesnay's “arithmetical formularies” did little to offset his criticism of the Physiocrat's privileging of agriculture.<sup>73</sup> He also belittled

<sup>67</sup> Charles Davenant called Petty a “great genius” for beginning political arithmetic, which Davenant defined as “the art of reasoning by figures upon things relating to government.” However, he judged Petty to have built his calculations on false premises. Nonetheless, Davenant affirms, the “faculty of computing” is the way to give a true account of the balance of trade provided it “draws its conclusions from many premises.” *Discourses on the Public Revenues and on Trade*, in Charles Whitworth, ed., *Works*, 5 volumes (London, 1771), 1: 127, 129, 146, 149–150. But Cantillon upbraided both Petty and Davenant because as political arithmeticians they dealt only with effects, not causes and principles, *Essai*, 16. Smith would seem to agree (see below).

<sup>68</sup> Mirabeau, *Tableau Oeconomique avec ses Explications* (Amsterdam, 1760), 23. Quesnay knew Petty's work, see Elizabeth Fox-Genovese, *The Origins of Physiocracy* (Ithaca, NY: Cornell University Press, 1976), 125 n.

<sup>69</sup> Mirabeau, *L'Ami des Hommes* (Amsterdam, 1759), Pt. 6: 2. François Quesnay especially stressed the mathematical basis; without calculation there would be no science, only confusion and error. See letter to Mirabeau quoted in Liana Vardi, *The Physiocrats and the World of the Enlightenment* (Cambridge: Cambridge University Press, 2012), 135.

<sup>70</sup> See Catherine Larrère, “L'Arithmétiques des physiocrates,” *Histoire et Mesure* VII (1992): 5–24 (15ff). Quesnay defended “the new economic science” in *Éphémérides du Citoyen* 10: 1 (1767), 164. Cf. Philippe Steiner, *La 'Science Nouvelle' de l'Économie Politique* (Paris: Presses Universitaires de France, 1998) who aptly calls this “a contested context,” 25.

<sup>71</sup> Cesare Beccaria, *Dei Delitti e delle Pene*, ed. F. Venturi (Torino: Einaudi, 1965), 20–21.

<sup>72</sup> *Ibid.*, 34. On the emergence of the association of moral certainty with probability, see Barbara Shapiro, *Probability and Certainty in Seventeenth Century England* (Princeton, NJ: Princeton University Press, 1983), esp. chap. 1. For the eighteenth century, see Keith Baker, *Condorcet: From Natural Philosophy to Social Mathematics* (Chicago: University of Chicago Press, 1975), esp. chaps. 3 and 4.

<sup>73</sup> Smith, *Wealth* IV.v.b.30/534; IV.ix.27/672.

James Steuart's *Principles*. In correspondence he predicted that in the *Wealth of Nations* "every false principle in it [Steuart's book] will meet a clear and distinct confutation".<sup>74</sup> Smith does not elaborate, but two related reasons might lie behind his animus: first, he treats the *Principles* as adopting a fundamentally mistaken mercantilist perspective; and, second, sees no place for the role played by Steuart's "statesman." As Smith says, in the context of the overinterpreted and overemphasized single reference to the "invisible hand" in the *Wealth of Nations*, he has "never known much good done by those who affected to trade for the public good," and for "the statesman" to presume to superintend the industry of private people is dangerous and presumptuous.<sup>75</sup>

This divergence can look like a bifurcation. The Smithian fork in the road, via his defense of competitive capital allocation and restriction of government to three limited (but in principle extendable) duties, leads retrospectively to aspects of neoclassical economics. The Steuartian fork, via his notion of a superintending statesman and conviction that an economy is not self-regulating, leads retrospectively to aspects of "[new] political economy." However, this is a misleading parting of the ways.

Nothing in Steuart distances his argument from Smith's account of how butchers go about their business. He openly states that "the principle of self-interest will serve as a general key [to his enquiry]." Again no more than Smith does Steuart claim that humans are solely self-interested; he just reiterates that for his purposes self-interest is the universal spring of human actions.<sup>76</sup> Where Steuart does diverge is in allocating to a statesman the task of making "a free people concur in the plans which he lays down for their government."<sup>77</sup> The statesman "alone can be the judge" of "the public good."<sup>78</sup> Steuart is explicit that the "statesman" is a supposition that he makes when "treating every question of political economy." "His" role is systematic oversight "so as to prevent the vicissitudes of manners and innovations . . . [from] hurting any interest within the commonwealth."<sup>79</sup> As an artificial figure the statesman is said by Steuart to be just, virtuous, intelligent, and in possession of "exact knowledge."<sup>80</sup> But exact knowledge is not the same as omniscience, and Steuart is clear that events can elude his

<sup>74</sup> Adam Smith, *Correspondence*, ed. Ernest Mossner and Ian Ross (Indianapolis, IN: Liberty Press, 1987), 164.

<sup>75</sup> Smith, *Wealth of Nations* IV.ii.9/456 cf. IV.ix.50/687.

<sup>76</sup> Steuart, *Principles*, in *Works*, I: 218, 219.

<sup>77</sup> *Ibid.*, I: 218. The reference here to "free people" is a clear signal of his adherence to the modern liberty as freedom under the law and his rejection of the ancient liberty of the classical moralists; he is explicit that he is dealing with "modern politics" (see *ibid.*, I: 319, I: 6, 217).

<sup>78</sup> *Ibid.*, I: 218. The statesman's self-interest lies in the "public spirit." See Christopher J. Berry, "James Steuart on the Public Good," in Jose Menudo, ed., *The Economic Thought of James Steuart* (London: Routledge, 2020), 3–13.

<sup>79</sup> Steuart, *Principles*, in *Works*, I: 122. He spells out that he is using "statesman" as a "general term to signify the legislature and supreme power" regardless of particular constitutional form, I: 2.

<sup>80</sup> *Ibid.*, I: 200, IV: 219; III: 460; I: 106, II: 73.



statesman's plans and thus presumably his foresight.<sup>81</sup> Nonetheless the critical assumption is that the statesman knows best. "He" can assess broader, long-term public consequences that would be beyond the narrow perspective of individuals. For example, an "industrious worker" who is directed from one job to another would not necessarily know that that shift is in his best interest.<sup>82</sup>

Steuart's ideas were picked up—or were in line with views developed—in continental Europe that supposedly established a trajectory distinct from that routinely claimed to lead from Smith to Chicago. Steuart, as he says in the "Preface" to the *Principles*, had traveled and lived in Europe, and for some scholars his stay in Germany colored his view of political economy. Deborah Redman, for example, argues that Steuart's advocacy of a strong centralized government "seems to have been borrowed wholesale from the German cameralists" and Andrew Skinner deems "it almost impossible" that Steuart was unaware of Johann von Justi's *Die Staatswissenschaft* (1755).<sup>83</sup> Steuart's book was quickly translated into German and some claims have been made for its impact on Hegel's notion of "civil society" (*bürgerliche Gesellschaft*) on the strength (chiefly) that he wrote a now lost commentary on the book.<sup>84</sup> But since it is Smith who is named in *Grundlinien der Philosophie des Rechts* and we have extant evidence of Hegel's early reading of the *Wealth of Nations* then the claim needs to be qualified.<sup>85</sup> In addition, the claim that Steuart's countenance of a role for "state intervention" prefigures John Maynard Keynes<sup>86</sup> and, later still by derivation, the emergence of the very label "political economy," as a counterweight to "free-market liberalism," smacks more of pedigree-hunting than solid evidence—a fate that has befallen Smith even more egregiously with the cliché that he is the "father of economics."

In spite of their genuine differences, Smith and Steuart still share much. On the few occasions Smith uses the term "political economy" (when it is not a characterization of the mercantile system) it is in line with that

<sup>81</sup> *Ibid.*, II:3, IV: 140.

<sup>82</sup> *Ibid.*, I: 402, IV 117.

<sup>83</sup> Deborah Redman, "Sir James Steuart's Statesman Revisited in the Light of Continental Influences," *Scottish Journal of Political Economy* 43 (1996): 58–59; Andrew Skinner, "Biographical Sketch" prefixed to his edition of the *Principles* (Chicago: University of Chicago Press, 1966), xl n.

<sup>84</sup> For the Steuart link (albeit transcended [*aufgehoben*]) to Hegel, see Paul Chamley, "Les origines de la Pensée Économique de Hegel," *Hegel Studien* 3 (1965): 225–61, but for a critique and overall assessment, see Gilles Campagnolo, "Steuart, Hegel, Chamley" in Menudo, *Economic Thought*.

<sup>85</sup> Georg Hegel, *Jenenser Realphilosophie* [1805/6], in *Werke*, ed. Gustav Lasson and Johannes Hoffmeister (Leipzig: Meiner, 1922), vol. XX, 239.

<sup>86</sup> See Robert Urquhart, "The Trade Wind, the Statesman and the System of Commerce: Sir James Steuart's Vision of Political Economy," *European Journal of the History of Economic Thought* 3 (1979): 379–410. Urquhart's is one of the more discriminating discussions. Maynard Keynes never cites Steuart, which is perhaps not surprising since his historical references in the *General Theory* are all derived from Eli Hecksher's *Mercantilism* (London: Unwin, 1955 [1st published 1931]).

employed Stuart.<sup>87</sup> They are both advocates of “modern liberty” and identify modernity with the collapse of feudal dependency. Even though Stuart says that he is attempting to reduce political economy to “principles” and to form it into a “regular science,” by “contriving a train of ideas which . . . may be made to arise methodically from another,”<sup>88</sup> in practice there is little difference from Smith, who identifies over a dozen “principles” in his book. While Smith does not parade his scientific credentials, his contemporaries were quick to spot that he was applying his version of the “Newtonian method”—the systematic reduction of complex phenomena to a few explanatory principles.<sup>89</sup> Despite Stuart’s aspiration to a deductive method, it is Smith’s (ever circumstantial) causal analysis and his sensitivity to the contingencies of history that is closer in sympathy to current political economy.<sup>90</sup> Even so Stuart evokes the statesman precisely because he recognizes the impact of differing circumstances and contingencies. Here, as elsewhere, both Stuart and Smith are indebted to Hume.

## VII. CONCLUSION

To approximate a conclusion: the move from coffee house conversation represents a shift, beginning in the seventeenth century, from political economy as a set of particular responses to socioeconomic crises to an increasingly self-conscious effort to uncover general principles and distinguish a distinct subject of enquiry. An increasing appreciation of the complexity of the issues meant moving from the ad hoc to the systematic and that move itself manifested a commonly shared understanding of what made an enquiry “scientific.” At the center of the endeavor to treat economic issues scientifically was a recognition that there is a need for precision, whether in terminology or in calculation, in order to establish principles with explanatory reach. That establishment was the key to the effective realization of the Baconian goal that science was to be put to the end of

<sup>87</sup> For Smith the objects of political economy are to supply or enable plentiful revenue and subsistence for the people and sufficient revenue for the state to provide public services. *Wealth IV*. Introduction/428. For Stuart the “principal object of this science [political economy]” is “to secure a fund of subsistence for all the inhabitants, to obviate every circumstance which may render it precarious.” Stuart, *Principles*, in *Works I*, 3.

<sup>88</sup> Stuart, *Principles*, in *Works I*, 34 cf. I, v; I, x.

<sup>89</sup> In his rhetoric lectures Smith judges the “Newtonian method,” in contrast to the “Aristotelian,” the “most philosophical” because it deduces phenomena from a principle and “all united in one chain.” Adam Smith, *Lectures on Rhetoric and Belles-Lettres*, ed. J. Bryce (Indianapolis, IN: Liberty Press, 1985), 146. John Millar who attended Smith’s lectures linked his achievement to Newton’s, *An Historical View of the English Government*, ed. M. Salber Phillips and Dale Smith (Indianapolis, IN: Liberty Press, 2006), 404 n.

<sup>90</sup> Deepak Lal and Hia Myint, for example, in language heavily reminiscent of Smith, declare that they use the term “political economy” to “direct attention to political, institutional and historical factors affecting economic growth and income distribution.” *The Political Economy of Poverty, Equity and Growth* (Oxford: Clarendon Press, 1996), 7. For the articulation of a path from Smith, contrary to the route to neoclassicism, see *Moral Sentiments and Material Interests*, ed. Herbert Gintis et al. (Cambridge, MA: MIT Press, 2005) chap. 1.

improving human life. From Montchrétien to Steuart, political economy had that purpose. At the heart of an effective Baconianism was the identification of what Hume called the science of man. Human nature, because it was constant and uniform in its operations, provided the crucial role of constancy and, in turn, predictability without which no enquiry can pretend to be scientific.

On that basis, trucking, bartering, and exchanging, “economic” behavior in short, was no exception. Commerce was universal<sup>91</sup> with its own identifiable principles that in the form of political economy gave systematic coherence to economic phenomena. In the way that Newtonian principles had demonstrated the predictable regularity inherent in the physical world, so it was for Smith that prices are “continually gravitating” to the “natural price,” or for Ferdinando Galiani that “the laws of commerce” are as exact as the laws of gravity. Galiani followed-up that declaration by saying that what gravity is to physics so “the desire for gain” was for man, while for Smith the desire to better one’s condition was present from the womb to the grave.<sup>92</sup> The mainstream (non-Hobbesian) view was that the pivotal role played by self-interest was compatible with the presence of other-regarding sentiments. Although the disengagement of “economics” from its classical moralistic context was largely completed by the time of Steuart’s *Principles* and the *Inquiry into the Nature and Causes of the Wealth of Nations* (to give the book its full and significant title) in its pretensions to be a subject suitable for “science,” the political economists of the Enlightenment did not see themselves as engaged in a value-free exercise. Their rejection of a classical/Aristotelian teleological moralization of the subject had not yet made “economics” a positive science.

For example, Smith’s “natural liberty” is a moral principle just as his contemptuous dismissal of sumptuary law bespeaks an assumption of the proper or legitimate scope of legislation. On that theme, luxury, the focus of a classically infused moralistic critique, is re-interpreted as a spur to industry the effect of which is to relieve the misery of poverty and foster well-being.<sup>93</sup> Of course, as ever, nothing is clearcut; but in due course the eighteenth century’s scientific pretensions did lead, within what became the discipline

<sup>91</sup> See, illustratively, Tucker who declares there is “a natural Disposition or instinctive Inclination, of Mankind towards Commerce,” *Elements*, 3. There is nothing novel here; a hundred fifty years earlier John Wheeler proclaimed that there is “nothing in the world so ordinarie and naturall unto men as to contract, truck, merchandise, and trafficke one with another,” *A Treatise of Commerce* (London: 1601), 6. That commerce was coeval with human society was a standardly drawn implication of the Providential arrangement that humans were not self-sufficient. (It is beyond the scope of this essay to pursue this question.)

<sup>92</sup> Smith, *Wealth* I.vii.15/75; II, iii.28/341; Fernando Galiani, *Della Moneta*, ed. Fausto Nicolini (Laterza: Bari, 1915 [1751]), 45.

<sup>93</sup> See inter alia Hume, *Essays*, 263; Smith, *Wealth*, “Introduction,” 4/10. As Smith professed in his lectures, opulence as well as freedom is a “blessing.” *Lectures on Jurisprudence*, ed. R. L. Meek, D. D. Raphael, P. G. Stein (Indianapolis, IN: Liberty Press, 1982), 185, 453. For more on this see Berry, *Luxury*, chap. 6 and Christopher J. Berry, *Idea of Commercial Society in the Scottish Enlightenment* (Edinburgh: Edinburgh University Press, 2013), chap. 3.

of “economics,” to the technical meaning of luxury as high elasticity of demand. That definition is precise, is amenable to measurement, and constitutes a universal proposition; it symptomatically marks the full escape from the coffee house.

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