

MPhil (Econ.) & MSc (Political Economy)

Dept. of Economics

National and Kapodistrian University of Athens



Lecture 3: Mercantilism

Nicholas J. Theodorakis

Objectives of this lecture

- To briefly describe the concept of mercantilism
- To show the different interpretations of the phenomenon
- To describe its phases
- To explain how it differs from the classical political economy
- To demonstrate its influence on political economy



Contents

- **Mercantilism**

- Interpretations of mercantilism

- Mirabeau, Smith, Viner
- Historical School [G. Schmoller]. E.F. Heckscher

- Countries / authors / periods of mercantilism

- *England, France, Germany/Austria, Italy, France, Germany/Austria*

- *Thomas Gresham, John Hales, **Thomas Mun**, Edward Misselden, Gerrard de Malynes, **William Petty**, John Locke, Dudley North, Josiah Child, Charles D'Avenant, Nicholas Barbon, **Bernard de Mandeville**, **James Steuart***

- *Jean Bodin, Antoine de Monchrestien, Jean-Baptiste Colbert*

- *Veit Ludwig von Seckendorff, Johann Joachim Becher, Philip Wilhelm von Hornick*

- *Bernardo Davanzati, Giovanni Botero, Antonio Serra, Antonio Genovesi, Pietro Verri*

- *Bullionism / Classical mercantilism / Late ('Liberal') mercantilism*

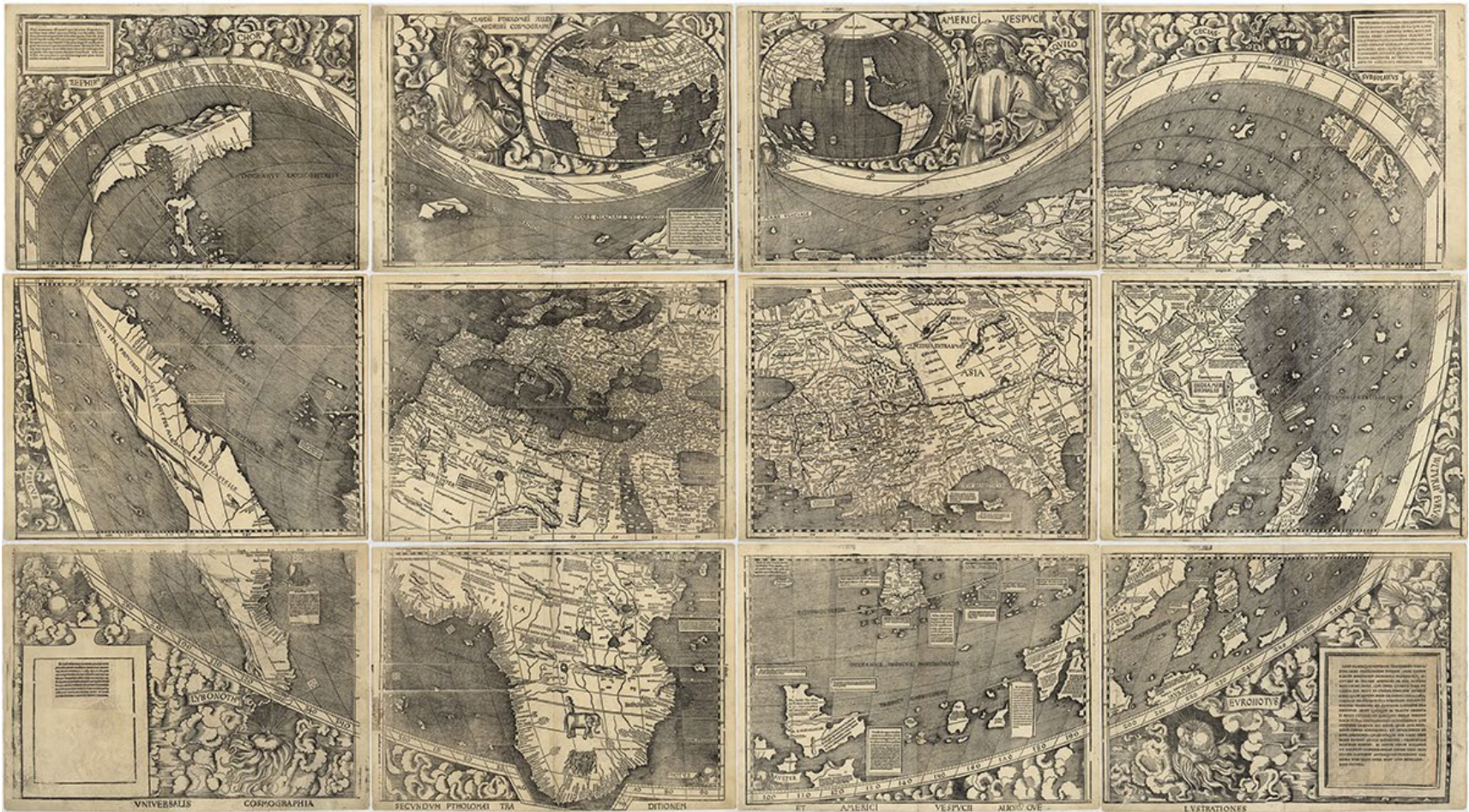


Mercantilism



"World Map," by Joan Blaeu, 1638, from the Atlas Major. Joan Blaeu and his father Willem were the most respected cartographers of their time. Their maps were required on all Dutch ships engaged in trade with the Indies. Atlases replaced sheet maps as the dominant cartographic form in the seventeenth century. In 1670, Joan Blaeu was appointed Map Maker in Ordinary to the Dutch East India Company (VOC).





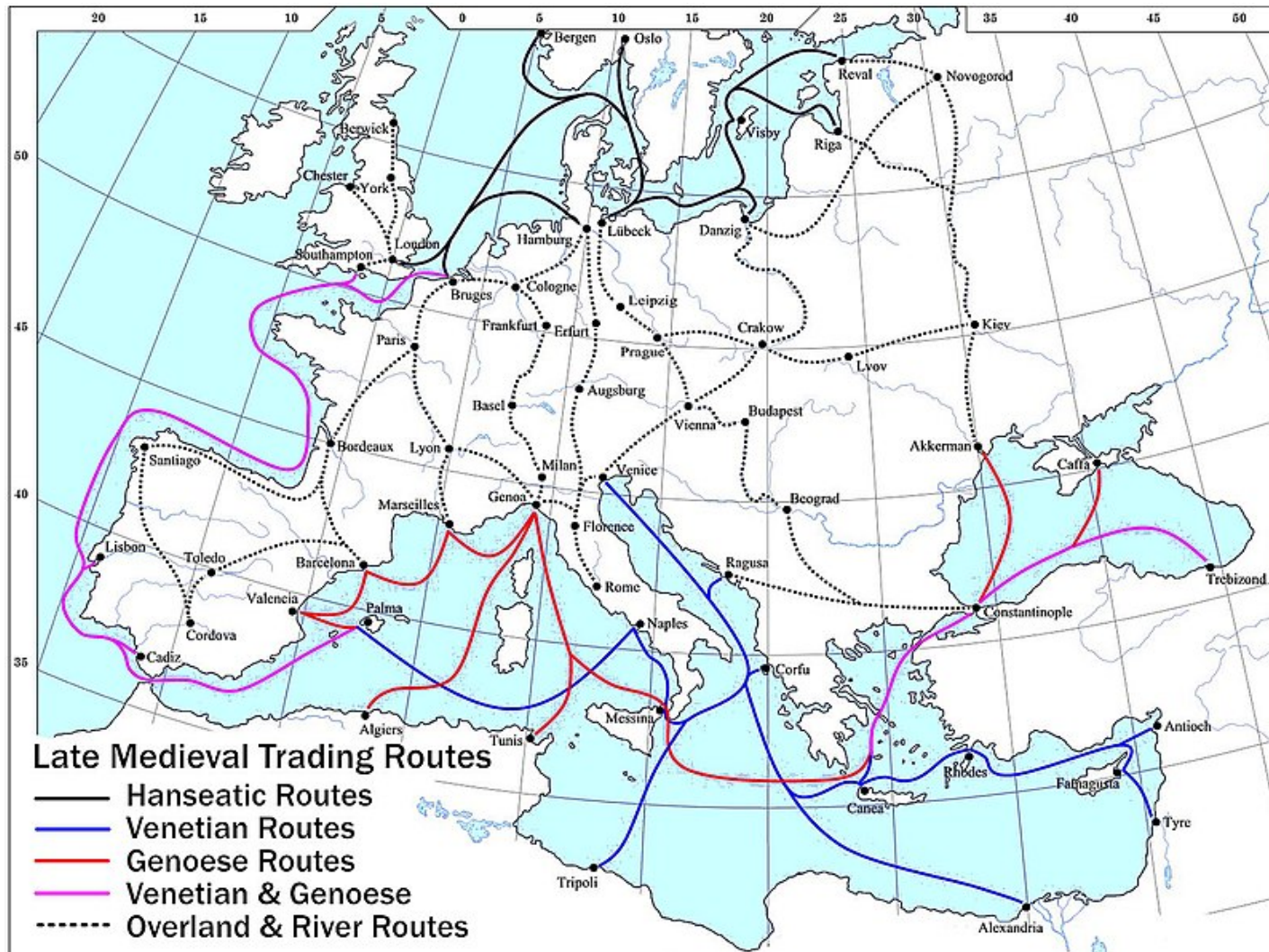
Martin Waldseemüller (1470–1521). [Universalis Cosmographia Secundum Ptholomaei Traditionem et Americi Vespucii Alior\[um\]que Lustrationes](#), [St. Dié], 1507. One map on 12 sheets, made from original woodcut. Geography and Map Division, Library of Congress





Map showing main Portuguese (blue) and Spanish (white) oceanic trade routes in the 16th century, as a result of the exploration during the Age of Discovery.



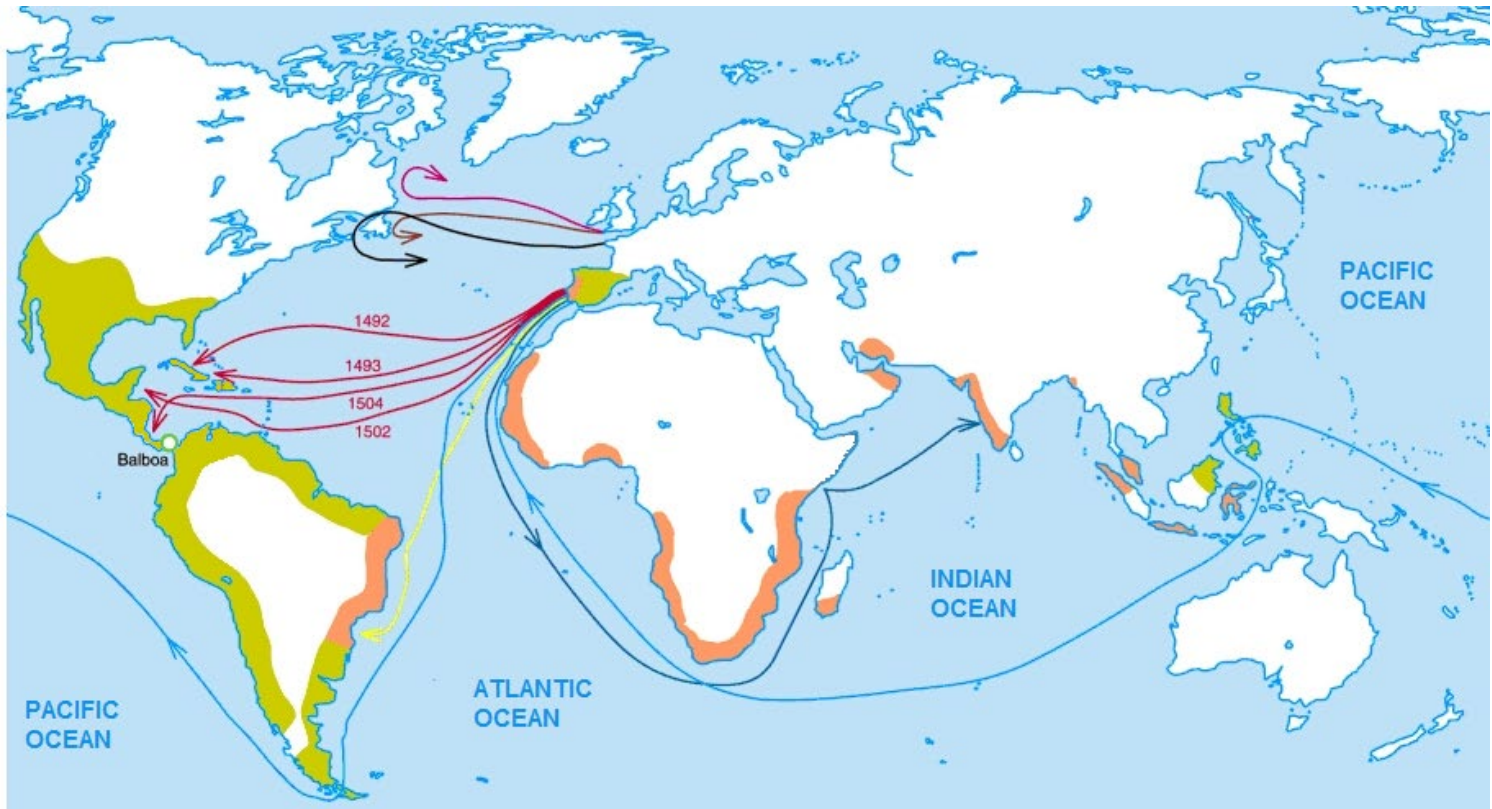


Map showing the main trade routes of late medieval Europe. The black lines show the routes of the Hanseatic League, the blue Venetian and the red Genoese routes. Purple lines are routes used by both the Venetians and the Genoese. Overland and river routes are stippled.





- Spain and possessions
- Portugal and possessions
- Columbus
- G. Caboto
- S. Caboto
- Cartier
- Cabral
- de Gama
- Magellan
- Balboa



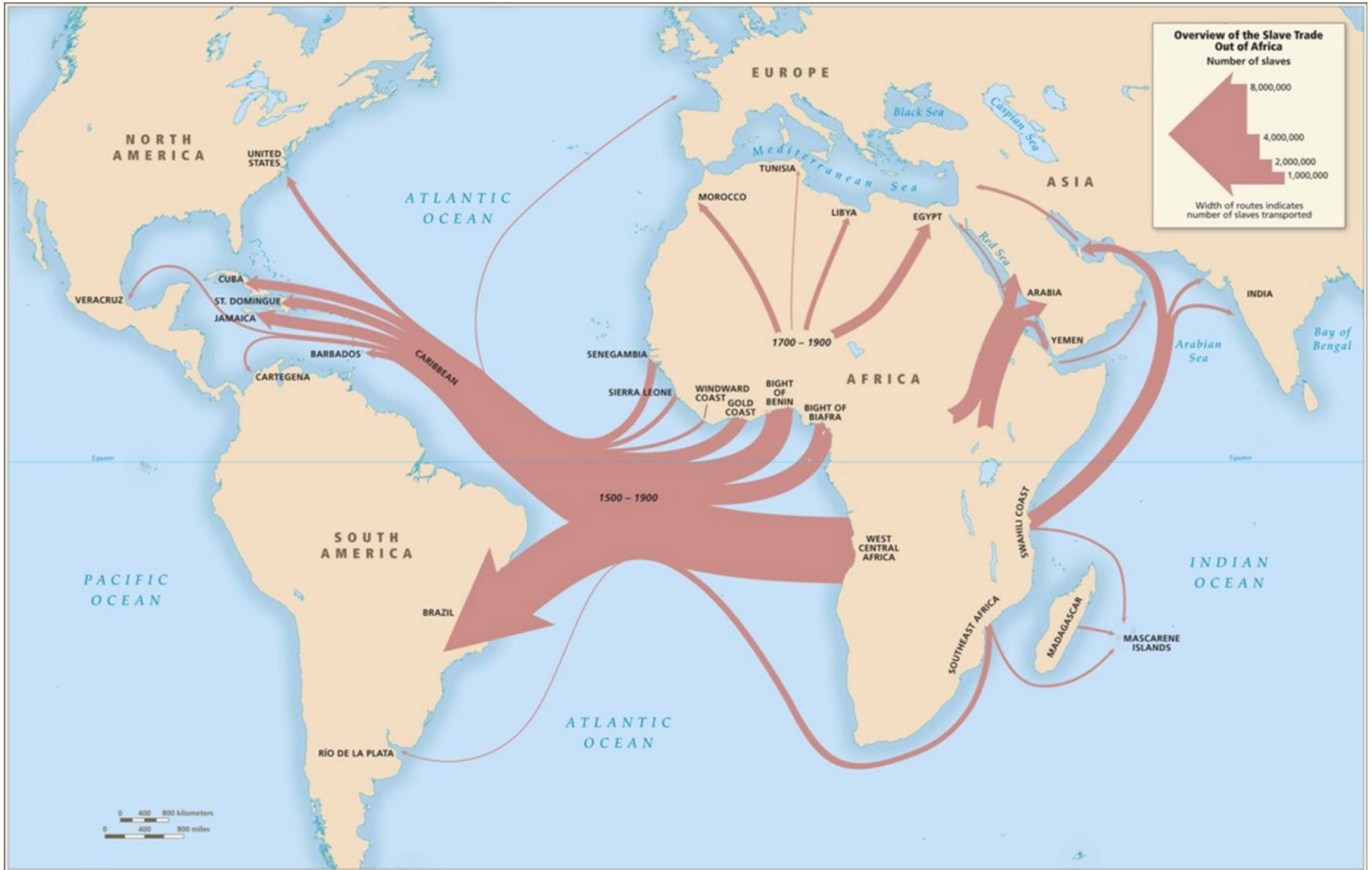


The Dutch Empire. Dark green areas were controlled by the **Dutch West India Company**; light green areas were controlled by the **Dutch East India Company**. Yellow areas were the territories occupied later, during the 19th century.

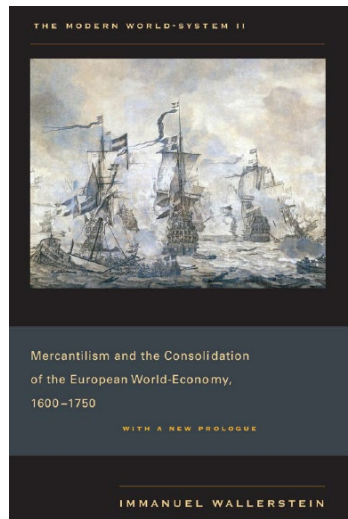


The British Empire



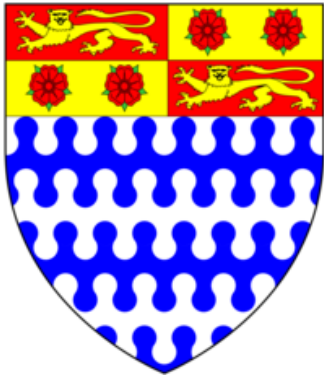


sixteenth century and that involved the *transformation* of a particular redistributive or tributary mode of production, that of feudal Europe (Braudel’s “economic *Ancien Régime*”) into a qualitatively different social system. Since that time, the capitalist world-economy has (a) geographically expanded to cover the entire globe; (b) manifested a cyclical pattern of expansion and contraction (Simiand’s phases A and B) and shifting geographical locations of economic roles (the rise and fall of hegemonies, the movements up and down of particular core, peripheral, and semiperipheral zones); and (c) undergone a process of secular transformation, including technological advance, industrialization, proletarianization, and the emergence of structured political resistance to the system itself—a transformation that is still going on today.



Immanuel Wallerstein, *The Modern World-System II: Mercantilism and the Consolidation of the European World-Economy, 1600-1750*





Company of Merchant Adventurers of London



East India Company



Vereenigde Oostindische Compagnie



Compagnie française pour le commerce des Indes orientales

Chartered Companies



The Old Exchange at Amsterdam, Job Adriaenszoon Berckheyde (1630 - 1693)





L'homme de village. - Né pour la peine : Guérard, Nicolas (1648?-1719). Graveur





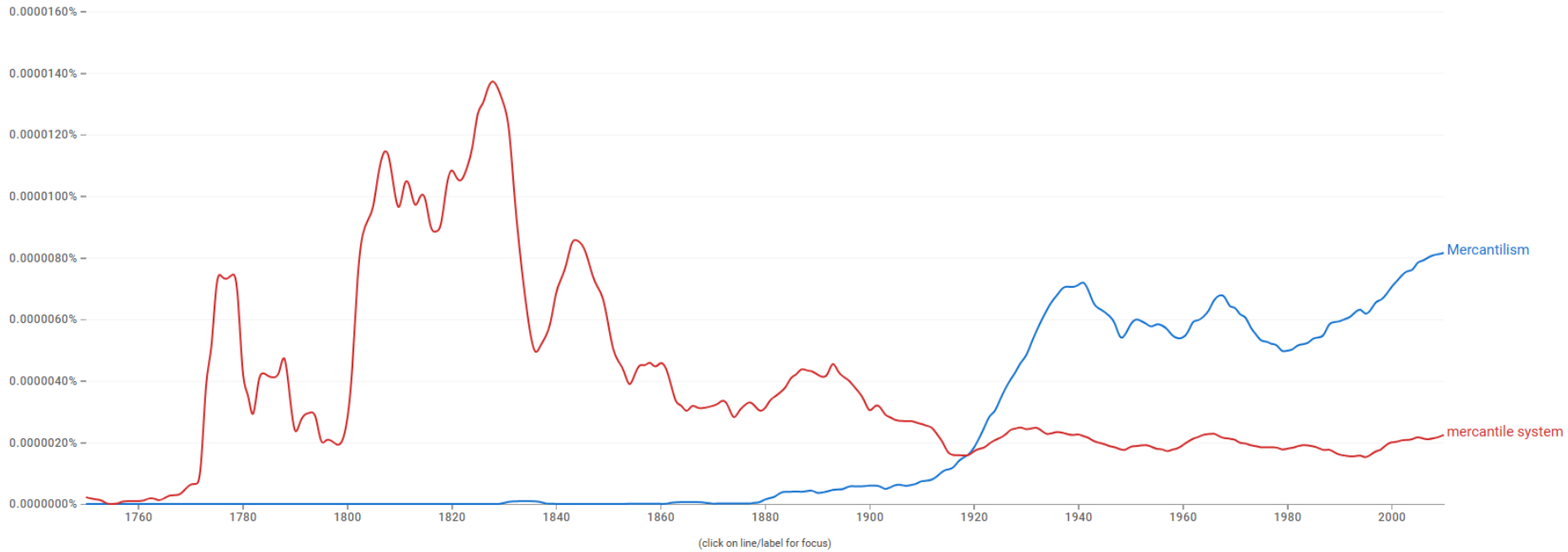
Jan Uytenbogaert, 'The Goldweigher', 1639
Rembrandt van Rijn (1606-1669)



Google Books Ngram Viewer

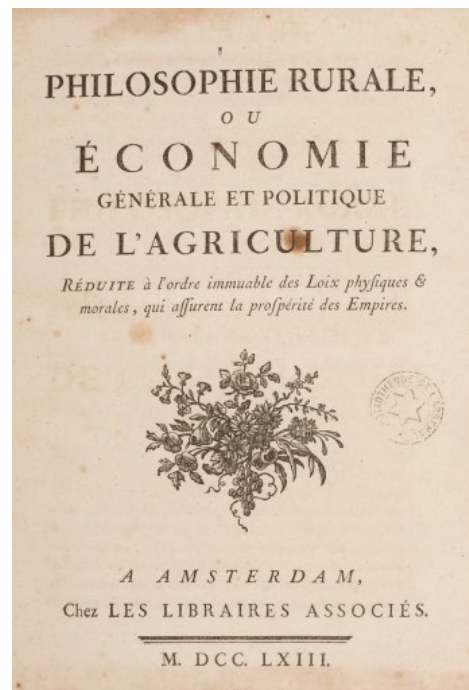
Q Mercantilism,mercantile system

1750 - 2010 English Case-Insensitive Smoothing



Mercantilism

- The term mercantilism is created after the phenomenon and has a critical connotation. Two interpretations: The **negative** one (Mirabeau - Smith)
- Victor de Riqueti, Marquis de **Mirabeau**, (1715-1789) [Physiocrat]



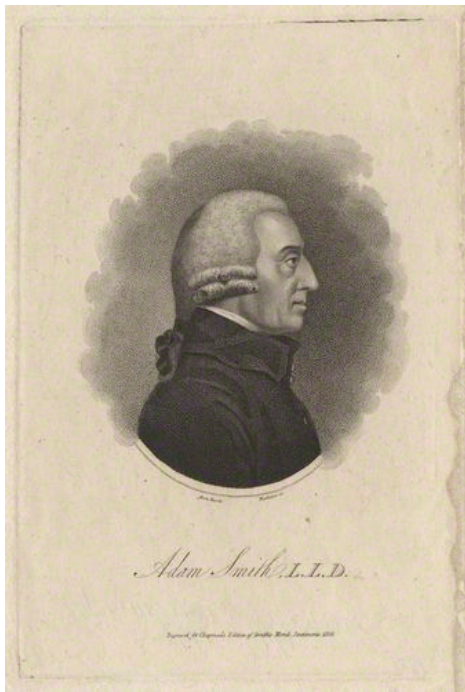
mercantile system

It describes a system of direct state intervention in the economy

Inconséquence
absurde du systè-
me mercantile.

Mercantilism

- The term mercantilism is created after the phenomenon and has a critical connotation
- Adam Smith, (1723-1790)



AN
I N Q U I R Y
INTO THE
Nature and Causes
OF THE
WEALTH OF NATIONS.
By ADAM SMITH, LL. D. and F. R. S.
Formerly Professor of Moral Philosophy in the University of Glasgow.
IN TWO VOLUMES.
VOL. I.

LONDON:
PRINTED FOR W. STRAHAN; AND T. CADELL, IN THE STRAND.
MDCCLXXII.

BOOK IV
Of Systems of political Oeconomy
CHAPTER I
Of the Principle of the commercial, or mercantile System¹

5 In consequence of these popular notions, all the different nations of Europe have studied, though to little purpose, every possible means of accu-[142]mulating gold and silver in their respective countries. Spain and Portugal, the proprietors of the principal mines which supply Europe with those metals, have either prohibited their exportation under the severest penalties, or subjected it to a considerable duty.⁹ The like prohibition seems antiently to have made a part of the policy of most other European nations. It is even to be found, where we should “least of all expect” to find it, in some old Scotch acts of parliament, which forbid under heavy penalties the carrying gold or silver *forth of the kingdom*.¹⁰ The like policy antiently took place both in France and England.

6 When those countries became commercial, the merchants found this prohibition, upon many occasions, extremely inconvenient. They could frequently buy more advantageously with gold and silver than with any other commodity, the foreign goods which they wanted, either to import into their own, or to carry to some other foreign country. They remonstrated, therefore, against this prohibition as hurtful to trade.¹¹

7 They represented, first, that the exportation of gold and silver in order to purchase foreign goods, did not always diminish the quantity of those metals in the kingdom. That, on the contrary, it might frequently increase “that quantity”; because, if the consumption of foreign goods was not thereby increased in the country, those goods might be re-exported to foreign countries, and being there sold for a large profit, might bring back much more treasure [143] than was originally sent out to purchase them.¹² Mr. Mun compares this operation of foreign trade to the seed-time and harvest of agriculture. “If we only behold,” says he, “the actions of the husbandman in the seed-time, when he casteth away much good corn into the ground, we shall account him rather a madman than a husbandman.

But when we consider his labours in the harvest, which is the end of his endeavours, we shall find the worth and plentiful increase of his actions.”¹³

8 They represented, secondly, that this prohibition could not hinder the exportation of gold and silver, which, on account of the smallness of their bulk in proportion to their value, could easily be smuggled abroad. That this exportation could only be prevented by a proper attention to, what they called, the balance of trade.¹⁴ That when the country exported to a greater value than it imported, a balance became due to it from foreign nations, which was necessarily paid to it in gold and silver, and thereby increased the quantity of those metals in the kingdom. But that when it imported to a greater value than it exported, a contrary balance became due to foreign nations, which was necessarily paid to them in the same manner, and thereby diminished that quantity. That in this case to prohibit the exportation of those metals could not prevent it, but only, by making it more dangerous, render it more expensive. That the exchange was thereby turned more against the country which owed the balance, than it [144] otherwise might have been; the merchant who purchased a bill upon the foreign country being obliged to pay the banker who sold it, not only for the natural risk, trouble and expence of sending the money thither, but for the extraordinary risk arising from the prohibition. But that the more the



exchange was against any country, the more the balance of trade became necessarily against it; the money of that country becoming necessarily of so much less value, in comparison with that of the country to which the balance was due. That if the exchange between England and Holland, for example, was five per cent. against England, it would require a hundred and five ounces of silver in England to purchase a bill for a hundred ounces of silver in Holland: that a hundred and five ounces of silver in England, therefore, would be worth only a hundred ounces of silver in Holland, and would purchase only a proportionable quantity of Dutch goods: but that a hundred ounces of silver in Holland, on the contrary, would be worth a hundred and five ounces in England, and would purchase a proportionable quantity of English goods: That the English goods which were sold to Holland would be sold so much cheaper; and the Dutch goods which were sold to England, so much dearer, by the difference of the exchange; that the one would draw so much less Dutch money to England, and the other so much more English money to Holland as this difference amounted to: and that the balance of trade, therefore, would necessarily be [145] so much more against England, and would require a greater balance of gold and silver to be exported to Holland.

- 9 Those arguments were partly solid and partly sophistical. They were solid so far as they asserted that the exportation of gold and silver in trade might frequently be advantageous to the country. They were solid too in asserting that no prohibition could prevent their exportation, when private people found any advantage in exporting them.¹⁵ But they were sophistical in supposing, that either to preserve or to augment the quantity of those metals required more the attention of government, than to preserve or to augment the quantity of any other useful commodities, which the freedom of trade, without any such attention, never fails to supply in the proper quantity. They were sophistical too, perhaps, in asserting that the high price of exchange necessarily increased, what they called, the unfavourable balance of trade, or occasioned the exportation of a greater quantity of gold and silver. That high price, indeed, was extremely disadvantageous to the merchants who had any money to pay in foreign countries. They paid so much dearer for the bills which their bankers granted them upon those countries. But though the risk arising from the prohibition might occasion some extraordinary expence to the bankers, it would not necessarily carry any more money out of the country. This expence would generally be all laid out in the country, in smuggling the money out of it, and could seldom occasion [146] the exportation of a single six-pence beyond the precise sum drawn for. The high price of exchange too would naturally dispose the merchants to endeavour to make their exports nearly balance their imports, in order that they might have this high exchange to pay upon

as small a sum as possible. The high price of exchange, besides, must necessarily have operated as a tax, in raising the price of foreign goods, and thereby diminishing their consumption. It would tend, therefore, not to increase, but to diminish, what they called, the unfavourable balance of trade, and consequently the exportation of gold and silver.¹⁶

- 10 Such as they were, however, those arguments convinced the people to whom they were addressed. They were addressed by merchants to parliaments, and to the councils of princes, to nobles and to country gentlemen; by those who were supposed to understand trade, to those who were conscious to themselves that they knew nothing about the matter.¹⁷ That foreign trade enriched the country, experience demonstrated to the nobles and country gentlemen, as well as to the merchants; but how, or in what manner, none of them well knew. The merchants knew perfectly in what manner it enriched themselves. It was their business to know it. But to know in what manner it enriched the country, was no part of their business. ^dThis subject never came into their consideration, but when they had occasion to apply to their country for some change in the laws relating to foreign trade. It then be-[147]came necessary to say something about the beneficial effects of foreign trade, and the manner in which those effects were obstructed by the laws as they then stood. To the judges who were to decide the business, it appeared a most satisfactory account of the matter, when they were told that foreign trade brought money into the country, but that the laws in question hindered it from bringing so much as it otherwise would do. Those arguments therefore produced the wished-for effect. The prohibition of exporting gold and silver was in France and England confined to the coin of those respective countries. The exportation of foreign coin and of bullion was made free. In Holland, and in some other places, this liberty was extended even to the coin of the country. The attention of government was turned away from guarding against the exportation of gold and silver, to watch over the balance of trade, as the only cause which could occasion any augmentation or diminution of those metals.¹⁸ From one fruitless care it was turned away to another care much more intricate, much more embarrassing, and just equally fruitless. The title of Mun's book, *England's Treasure in Foreign Trade*,¹⁹ became a fundamental maxim in the political œconomy, not of England only, but of



all other commercial countries. The inland or home trade, the most important of all, the trade in which an equal capital affords the greatest revenue, and creates the greatest employment to the people of the country,²⁰ was considered as subsidiary only to foreign trade. It [148] neither brought money into the country, it was said, nor carried any out of it. The country therefore could never become either richer or poorer by means of it, except so far as its prosperity or decay might indirectly influence the state of foreign trade.

11 A country that has no mines of its own must undoubtedly draw its gold and silver from foreign countries, in the same manner as one that has no vineyards of its own must draw its wines. It does not seem necessary, however, that the attention of government should be more turned towards the one than towards the other object. A country that has wherewithal to buy wine, will always get the wine which it has occasion for; and a country that has wherewithal to buy gold and silver, will never be in want of those metals.²¹ They are to be bought for a certain price like all other commodities, and as they are the price of all other commodities, so all other commodities are the price of those metals. We trust with perfect security that the freedom of trade, without any attention of government, will always supply us with the wine which we have occasion for: and we may trust with equal security that it will always supply us with all the gold and silver which we can afford to purchase or to employ, either in circulating our commodities, or in other uses.²²

12 The quantity of every commodity which human industry can either purchase or produce, naturally regulates itself in every country according to the effectual demand, or according to the [149] demand of those who are willing to pay the whole rent, labour and profits which must be paid in order to prepare and bring it to market. But no commodities regulate themselves more easily or more exactly according to this effectual demand²³ than gold and silver; because on account of the small bulk and great value of those metals, no commodities can be more easily transported from one place to another, from the places where they are cheap, to those where they are dear, from the places where they exceed, to those where they fall short of this effectual demand. If there "was" in England, for example, an effectual demand for an additional quantity of gold; a packet-boat could bring from Lisbon, or from wherever else it was to be had, fifty tuns of gold,

occasions the general complaint of the scarcity of money.

17 It would be too ridiculous to go about seriously to prove, that wealth does not consist in money, or in gold and silver; but in what money purchases, and is valuable only for purchasing.³² Money, no doubt, makes always a part of the national capital; but it has already been shown that it generally makes but a small part, and always the most unprofitable part of it.³³

18 It is not because wealth consists more essentially in money than in goods, that the merchant finds it generally more easy to buy goods with money, than to buy money with goods; but because money is the known and established instrument of commerce, for which every thing is readily given in exchange, but which is not always with equal readiness to be got in exchange for every thing. The greater part of goods besides are more perishable than money, and he may frequently sustain a much greater loss by keeping them.³⁴ When his goods are upon hand too, he is more liable to such demands for money as he may not be able to answer, than when he has got their price in his coffers. Over and above all this, his profit arises more directly from selling than from buying, and he is upon all these accounts generally much more anxious to exchange his goods for money,

manner. The French have been particularly forward to favour their own manufactures by restraining the importation of such foreign goods as could come into competition with them. In this consisted a great part of the policy of Mr. Colbert,⁴⁹ who, notwithstanding his great abilities, seems in this case to have been imposed upon by the sophistry of merchants and manufacturers, who are always demanding a monopoly against their countrymen. It is at present the opinion of the most intelligent men in France that his operations of this kind have not been beneficial to his country.⁵⁰ That minister, by the tariff of 1667, imposed very high duties upon a great number of foreign manufactures. Upon his refusing to moderate them in favour of the Dutch, they in 1671 prohibited the importation of the wines, brandies, and manufactures of France. The war of 1672 seems to have been in part occasioned by this commercial dispute. The

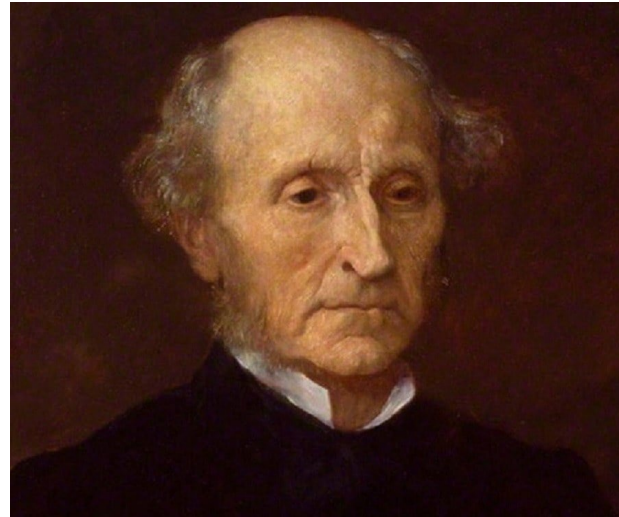
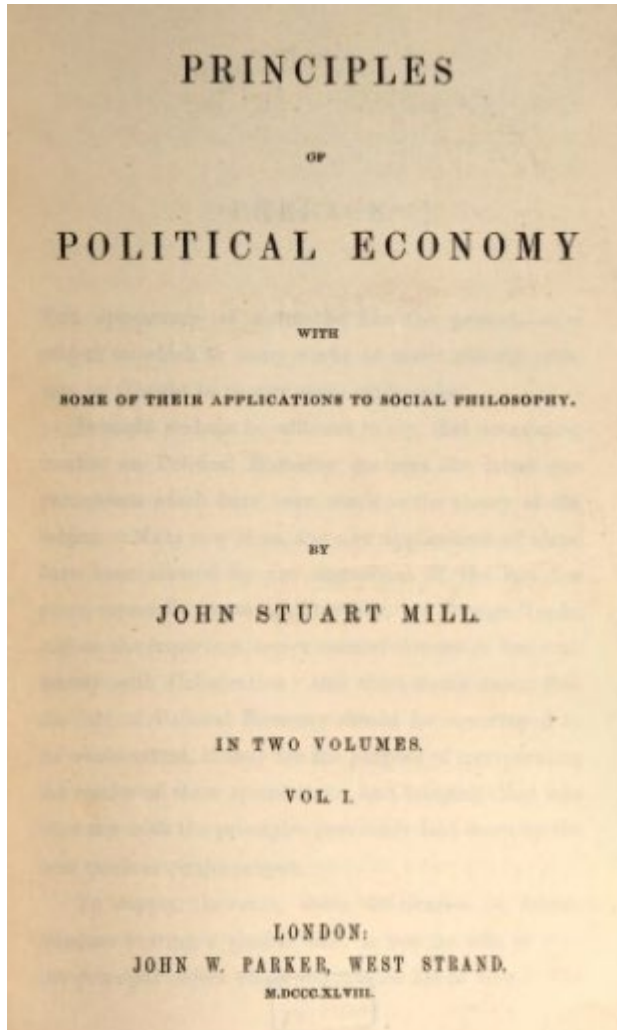


Mercantilism: negative criticism

- Mercantilism confuses money [precious metals] with wealth
- Believes that an economy cannot regulate itself and therefore requires regulation by the state
- It wrongly emphasises the trade balance, the ban on the export of precious metals and protectionism.
- This negative view was continued in classical political economy [JR McCulloch] in the liberal school and even today mercantilism is seen as rent-seeking: R. E. Ekelund & R. K. Tollison, *Politicized Economics: Monarchy, Monopoly and Mercantilism*. 1997



Mercantilism: negative criticism



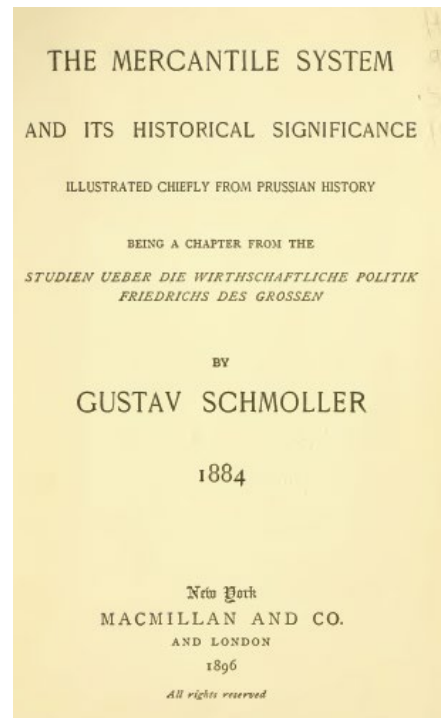
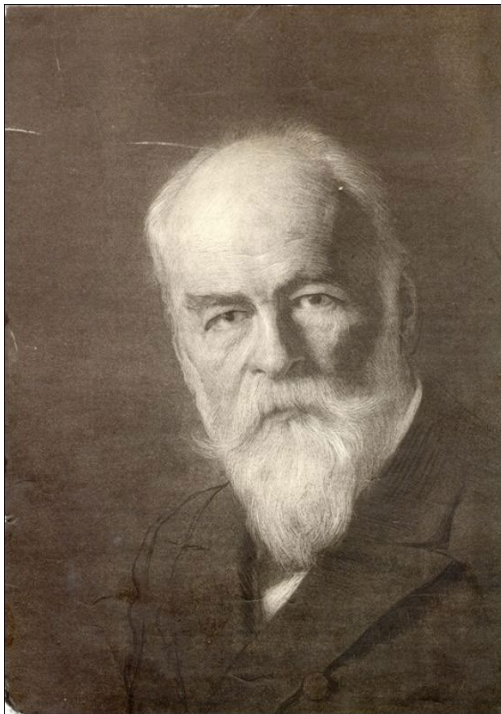
John Stuart Mill
(1806–1873)

a term are already as determinate as practical purposes require. But, little as it might be expected that any mischievous confusion of ideas could take place on a subject so simple as the question, what is to be considered as wealth, it is matter of history that such confusion of ideas has existed—that theorists and practical politicians have been equally, and at one period universally, infected by it, and that for many generations it gave a thoroughly false direction to the policy of Europe. I refer to the set of doctrines designated, since the time of Adam Smith, by the appellation of the Mercantile System.



Mercantilism

- The term mercantilism is created after the phenomenon and has a critical connotation. Two interpretations: The **positive one** (Schmoller)
- Gustav Schmoller (1838-1917) [German Historical School]



Jahrbuch
 für
Gesetzgebung, Verwaltung
 und
Volkswirtschaft
 im
Deutschen Reich.

Des „Jahrbuchs für Gesetzgebung, Verwaltung
 und Volkswirtschaft“
 des „Königreichs Preußen“

Achter Jahrgang,

Herausgegeben
von

Gustav Schmoller.



Leipzig,
 Verlag von Dunder & Humblot.
 1884.

II.

Das Merkantilssystem in seiner historischen Bedeutung:
 städtische, territoriale und staatliche Wirtschaftspolitik.

Die wirtschaftliche Politik Friedrich des Großen und Preußens überhaupt von 1680—1786 war eine ausgesprochen merkantilistische. Die bisherige staatswissenschaftliche Beurteilung derselben ging weder von einer historisch wirtschaftlichen Untersuchung des damaligen Europas, noch speziell Preußens in dieser Epoche aus, sondern von Theorien, die ihren Ursprung in der Kritik des Merkantilsystems, in der Hervorkehrung der Irrthümer und Uebertreibungen hatten, welche dasselbe gegen 1800 zeigte.

Die erste Aufgabe daher, um diese Politik richtig zu würdigen, ist eine richtigere Erfassung und Beurteilung des Merkantilsystems, d. h. des volkswirtschaftlichen Charakters der beiden Jahrhunderte, während welcher die praktische Politik aller großen und aufstrebenden Völker Europas diesem Systeme folgte. Und wir haben dabei eben diese praktische Politik, nicht die Schriften der Staatsmänner und Gelehrten im Auge, welche bei dem unentwickelten Stande der Wissenschaft vielfach das an sich Richtige mit schiefen und halbahren Theorien vertheidigten. Erst auf diesem Hintergrunde wird es dann in den folgenden Studien möglich sein, die spezielle preussische Wirtschaftspolitik richtig zu charakterisiren und zu beurtheilen.

Eine ganze Epoche der Geschichte aber volkswirtschaftlich charakterisiren heißt sie mit der Vergangenheit und der Folgezeit vergleichen, heißt sie begreifen als ein Glied eines größeren wirtschaftlichen Entwicklungsprozesses. Und man wird daher geneigt sein, zunächst an jene Vorstellungen zu denken, durch welche man bisher versucht hat, den historischen Entwicklungsgang der Völker einheitlich theoretisch zu begreifen. Man hat bis jetzt entweder angeknüpft an eine Parallele mit den Lebensaltern des einzelnen Menschen, oder an die Vorstellung eines Stufenganges, in welchem Viehzucht, Ackerbau, Gewerbe und Handel oder in welchem Naturaltausch, Geld- und Creditverkehr sich

with like creations across the frontier. The whole internal history of the seventeenth and eighteenth centuries, not only in Germany but everywhere else, is summed up in the opposition of the economic policy of the state to that of the town, the district, and the several Estates; the whole foreign history is summed up in the opposition to one another of the separate interests of the newly rising states, each of which sought to obtain and retain its place in the circle of European nations, and in that foreign trade which now included America and India. Questions of political power were at issue, which were, at the same time, questions of economic organisation. What was at stake was the creation of real *political* economies as unified organisms, the centre of which should be, not merely a state policy reaching out in all directions, but rather the living heart-beat of a united sentiment.

Only he who thus conceives of mercantilism will understand it; in its innermost kernel it is nothing but state making — not state making in a narrow sense, but state making and national-economy making at the same time;

II.

Das Merkantilsystem in seiner historischen Bedeutung:
städtische, territoriale und staatliche Wirthschafts-
politik.

state making in the modern sense, which creates out of the political community an economic community, and so gives it a heightened meaning. The essence of the system lies not in some doctrine of money, or of the balance of trade; not in tariff barriers, protective duties, or navigation laws; but in something far greater: — namely, in the total transformation of society and its organisation, as well as of the state and its institutions, in the replacing of a local and territorial economic policy by that of the national state. With this accords the fact recently pointed out with regard to the literary history of the movement, that what is peculiar to all the mercantilist writers is not so much the regulations of trade which they propose for the increase of the precious metals as the stress they lay on the active circulation of money, especially within the state itself.¹

II.

Das Mercantilsystem in seiner historischen Bedeutung:
städtische, territoriale und staatliche Wirtschafts-
politik.

Chapter 23

NOTES ON MERCANTILISM, THE USURY LAWS, STAMPED MONEY AND THEORIES OF UNDER-CONSUMPTION

I

For some two hundred years both economic theorists and practical men did not doubt that there is a peculiar advantage to a country in a favourable balance of trade, and grave danger in an unfavourable balance, particularly if it results in an efflux of the precious metals. But for the past one hundred years there has been a remarkable divergence of opinion. The majority of statesmen and practical men in most countries, and nearly half of them even in Great Britain, the home of the opposite view, have remained faithful to the ancient doctrine; whereas almost all economic theorists have held that anxiety concerning such matters is absolutely groundless except on a very short view, since the mechanism of foreign trade is self-adjusting and attempts to interfere with it are not only futile, but greatly impoverish those who practise them because they forfeit the advantages of the international division of labour. It will be convenient, in accordance with tradition, to designate the older opinion as *mercantilism* and the newer as *free trade*, though these terms, since each of them has both a broader and a narrower signification, must be interpreted with reference to the context.

Generally speaking, modern economists have maintained not merely that there is, as a rule, a balance of

24

333

KGT

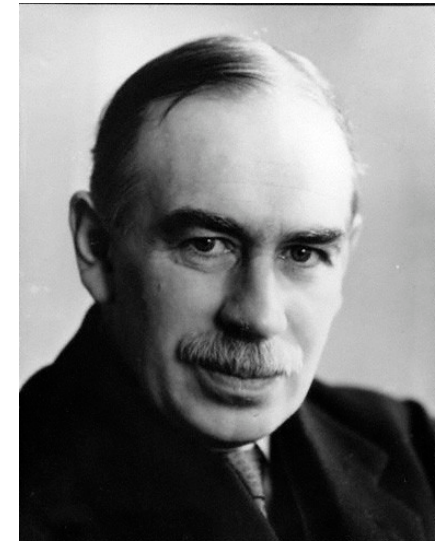
II

Let me first state in my own terms what now seems to me to be the element of scientific truth in mercantilist doctrine. We will then compare this with the actual arguments of the mercantilists. It should be understood that the advantages claimed are avowedly national advantages and are unlikely to benefit the world as a whole.

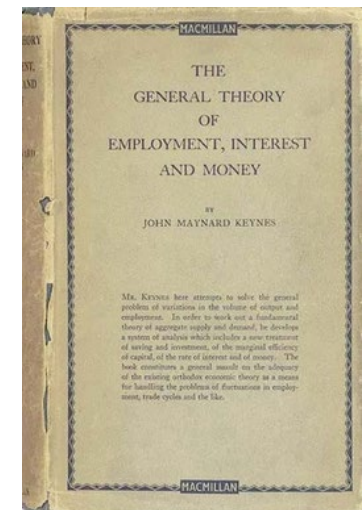
When a country is growing in wealth somewhat rapidly, the further progress of this happy state of affairs is liable to be interrupted, in conditions of *laissez-faire*, by the insufficiency of the inducements to new investment. Given the social and political environment and the national characteristics which determine the propensity to consume, the well-being of a progressive state essentially depends, for the reasons we have already explained, on the sufficiency of such inducements. They may be found either in home investment or in foreign investment (including in the latter the accumulation of the precious metals), which, between them, make up aggregate investment. In conditions in which the quantity of aggregate investment is determined by the profit motive alone, the opportunities for home investment will be governed, in the long run, by the domestic rate of interest; whilst the volume of foreign investment is necessarily determined by the size of the favourable balance of trade. Thus, in a society where there is no question of direct investment under the aegis of public authority, the economic objects, with which it is reasonable for the government to be preoccupied, are the domestic rate of interest and the balance of foreign trade.

335

24-2



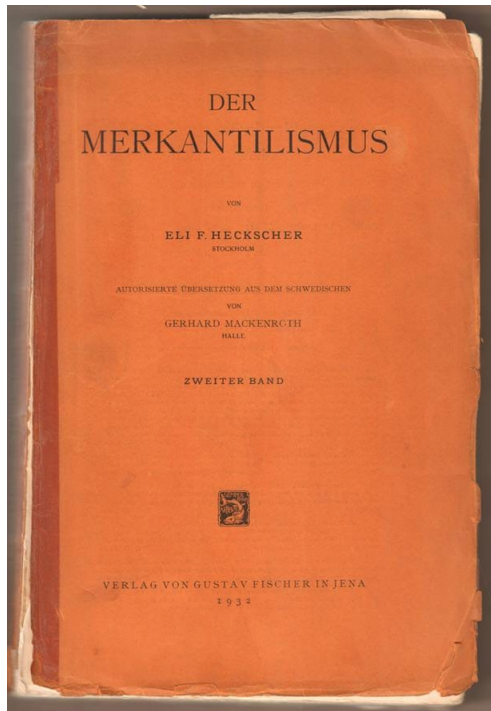
John Maynard Keynes
(1883–1946)





Eli Filip Heckscher (1879-1952)

- System of unification
- System of power
- System of protection vs system of provision (fear of goods)
- Monetary system
- Conception of society



Mercantilism 1931



England

Thomas Gresham
John Hales
Thomas Mun
Edward Misselden
Gerrard de Malynes
William Petty,
John Locke,
Dudley North,
Josiah Child,
Charles D'Avenant,
Nicholas Barbon,
Bernard de Mandeville,
James Steuart

France

Jean Bodin,
Antoine de
Monchrestien,
J.-B. Colbert

Germany - Austria

Veit Ludwig von
Seckendorff,
Johann Joachim Becher,
Philip Wilhelm von
Hornick

Italy

Bernardo
Davanzati,
Giovani Botero,
Antonio Serra,
Antonio Genovesi,
Pietro Verri

The English Bullionists

John Hales, ?-1571

Sir Thomas Culpeper, Sr.

Sir Thomas Culpeper, Jr.

Gerard de Malynes, c.1586-1641.

“Traditional” Mercantilists:

The Company men

John Wheeler, c.1553-1611.

Edward Misselden, 1608-1654.

Thomas Mun, 1571-1641.

The Government Men

John Locke, 1632-1704.

The Arithmeticians

Sir William Petty, 1623-1687

John Graunt, 1620-1674

Gregory King, 1648-1712.

Charles D'Avenant, 1656-1714.

William Fleetwood, 1656-1723

“Liberal” English Mercantilists

Sir Josiah Child, 1630-1699.

Sir Dudley North, 1641-1691.

Nicholas Barbon, 1637-1698?

Roger Coke, ?-1704?

Bernard de Mandeville, 1670-1733.

Josiah Tucker, 1712-1799

Scottish Mercantilists

John Law, 1671-1729.

Sir James D. Steuart, 1713-1780

French Colbertisme

Jean Bodin, 1530-1596.

Antoine de Montchrétien, 1575-1621.

Jean Baptiste Colbert, 1619-1683.

François Véron de Forbonnais and the
18th Century Neo-Colbertistes

German Cameralism

Veit Ludwig von Seckendorff, 1626-1692.

Johann Joachim Becher, 1625-1685.

Philip Wilhelm von Hornick, 1638-1712.

The Neo-Cameralists (Justi, Sonnenfels)



A
COMPENDIOUS OR BRIEF
EXAMINATION
OF

Certaine ordinary COMPLAINTS
of diuers of our COUNTRY-
MEN in these our Dayes :

Which although they are in some Parte
vnjust and friuolous, yet are they
all, by Way of DIALOGUE,
'thoroughly debated and
discussed by

WILLIAM SHAKESPEARE,
Gentleman.

1581

THE
MAINTENANCE
OF FREE TRADE,
ACCORDING TO THE
THREE ESSENTIALL
Parts of Traffique;

Namely,
COMMODITIES, MONEYS
and Exchange of Moneys, by
Bills of Exchange for other
Countries.

OR,
An answer to a Treatise of Free
Trade, or the means to make Trade flourish,
lately Published.

Contraria iuncta se Pejus magis Eluciant.

By GERRARD MALYNES Merchant.

LONDON,
Printed by J. L. for Iohnes Stedeford, and are to be sold
at his Shop, at the entring in of Popes head Alley out
of Lambard Street. 1622.

1622



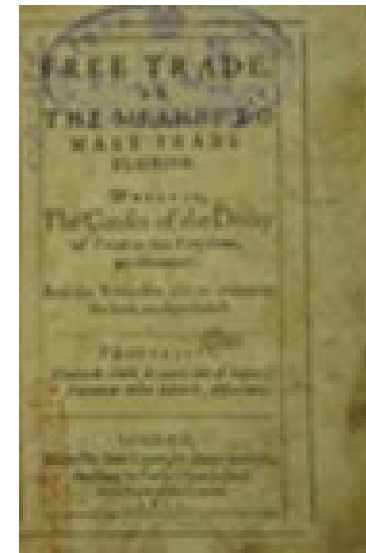
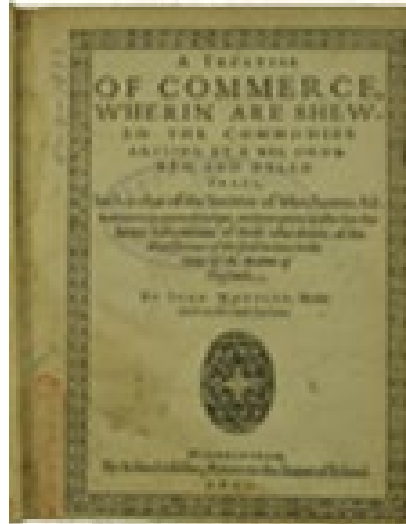
“John Hales”
Thomas Mun
Edward Misselden
Gerrard de Malynes

ENGLAND'S
TREASURE

BY
Forraign Trade.
OR,
The Ballance of our Forraign Trade
IS
The Rule of our Treasure.

Written by THOMAS MUN of
Lond. Merchant,
And now published for the Common good by his
Son JOHN MUN of Beartsted in the County
of Kent, Esquire.

LONDON,
Printed by J. C. for Thomas Clark, and are to be sold at his
Shop at the South entrance of the Royal
Exchange. 1664.



A
 COMPENDIOUS OF BRIEFE
 EXAMINATION
 OF

Certayne ordinary COMPLAINTS
 of diuers of our COUNTRY-
 MEN in these our Dayes :

Which although they are in some Parte
 vnjust and friuolous, yet are they
 all, by Way of DIALOGUE,
 'throughly debated and
 discussed by

WILLIAM SHAKESPEARE,
 Gentleman.



Imprinted at London, in Fleetstreet, neere
 vnto Saincte Dunstons Church, by Tho-
 mas Marshe, 1581.

Cum Priuilegio.

Doctor. I doubt not, but if any sorte of men have lick-
 ed themselues whole, yee be the same: for what
 odde focuer there happen to be in the exchange
 of things, yee that bee marchaunts can espy it
 straight: for example, because yee touched some-
 what of the coyne, as soone as euer yee perceiue
 the price of that enhaunfed, yee by and by what
 was to be wonne therein beyonde sea, raked all
 the olde coyne for the most parte in the realme,
 and founde the meanes to haue it caryed ouer, so
 as little was lefte behinde within this realme of such
 olde coyne in a very shorte space, which, in my
 opynion is a great cause of this dearth that hath
 bene since of all things.

That mar-
 chaunts best
 saue them-
 selves in eue-
 ry alteration.

Of our older
 coyne ex-
 haunfed.

Doctor. Mary the first way is to make the wooll to be
 of as base pryce to the breeders thereof, as the
 corne is: and that shal be, if yee make a like re-
 straint of it for passing ouer Sea vnwrought as yee
 make of corne: another is to increase the custome
 of wooll that passeth ouer vnwrought. And by
 that the price of it shal be abated to the breeders,
 and yet the price ouer Sea shal be neuer the lesse:
 but that which is increased in the pryce thereof on
 straungers shall come to the queenes highnesse,
 which is as profitable to the realme as though it
 came to the breeders, and might relieue them of
 other subsidies. Thus farre as touchinge the
 bringing downe of the price of wooll, now to
 the inhaunfinge of the price of corne, to be as
 good to the husbandman as wooll should be, and
 that might be brought to passe if yee will let it
 haue as free passage ouer sea at all times, as yee
 haue now for wooll.

That a like
 restraint of
 Wool should
 be made as is
 of corne, or
 none to be
 sent ouer.

Gerard de Malynes, fl.1586-1641

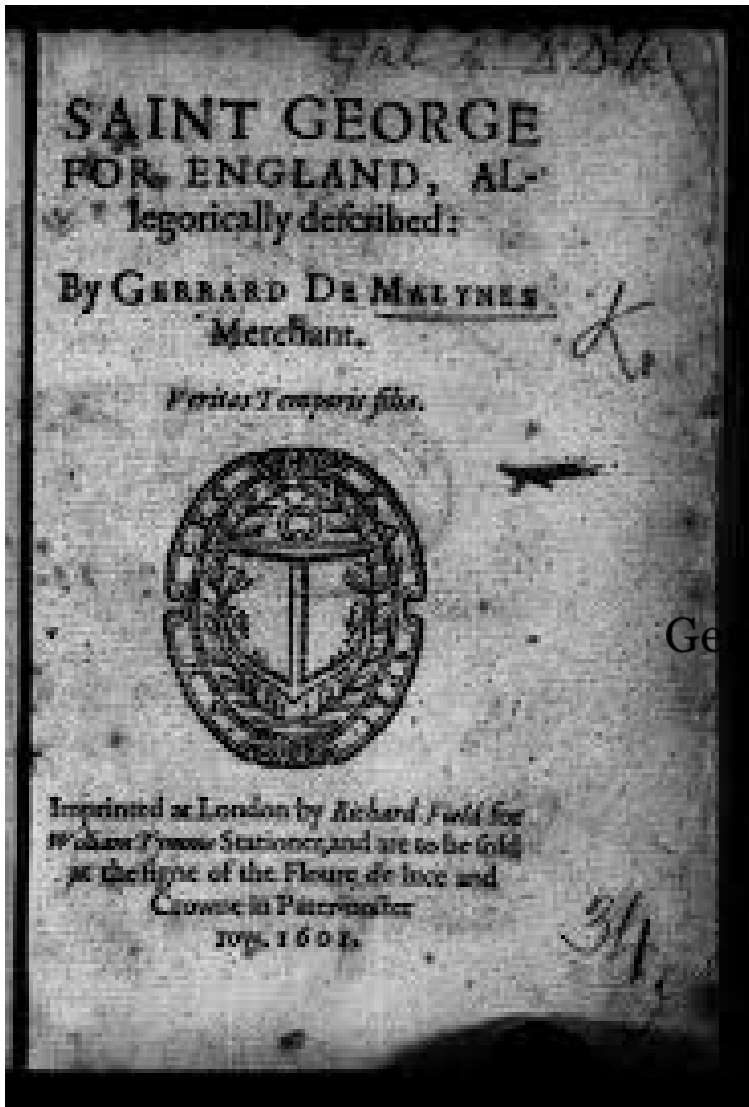
- Saint George for England, allegorically described, **1601**.
- A Treatise on the Canker of England's Commonwealth, divided into three parts; wherein the author, imitating the rule of phisitions, first, declareth the disease; secondarily, sheweth the efficient cause thereof; lastly, a remedy for the same, **1601**.
- England's View on the unmasking of two Paradoxes, with a replication unto the answer of Maister Iohn Bodine, **1603**
- Consuetudo vel Lex Mercatoria or the Ancient Law- Merchant, Divided into three parts; according to the essentiall parts of Trafficke, Necessarie for all statesmen, iudges, magistrates, temporall and ciuile lawyers, mint-men, merchants, marriners, and all others negotiating in all places of the world, 1622.
- The Maintenance of Free Trade, according to the three essentiall parts of traffique, namely, commodities, moneys and exchange of moneys, by bills of exchanges for other countries, or an Answer to a treatise of Free Trade or the menes to make trade flourish lately published, **1622**.
- The Centre of the Circle of Commerce. Or a refutation of a Treatise intituled The Circle of Commerce, or the Ballance of Trade, lately published by E.M., **1623**.





Gerard de Malynes

countries. This Dragon bringeth inequalitie in a commonwealth by the meanes of his taile, wherein lyeth his greatest strength, making the expences thereof to surmount the reuenues. For he depriueth the Prince (which is the father of this great household) of his treasure and readie money, which are Nerui bellorum, and is the cause of many other inconueniences, as both in this and in another treatise I haue described vnto you. This he effecteth by falsifying the valuation of mony, which is the rule and measure of things, which money he caused to be made vncertaine, and as it were a merchandize, giuing thereby a wonderfull ability to some of the members of a commonwealth to oppresse the other: whereby the concord is broken, and men cannot liue in their vocation, by that whereunto they were borne or bred.



*houring of the poore. This dragon is cal-
 led Foenus politicum, his two wings are
 Vsura palliata and Vsura explicata,
 and his taile inconstant Cambium. The
 virgin is the kings treasure: the champion
 Saint George is the kings authoritie, ar-
 med with the right armor of a Christian:
 who with the sword of the spirit of Gods
 most holy word, explained and corroborat-
 ed with severall other lawes, signified by
 the Pybal horse whereon he was mounted:
 did destroy the cruell dragon, rescuing the
 kings daughter, and deliuering the com-
 monwealth, as by the circumstances of the
 historie may appeare: the Allegorie where-
 of requireth a due consideration, which
 would dilate vnto another treatise. Wher-*

Gerard de Malynes

Gerard de Malynes



TREATISE OF THE CANKER OF ENGLANDS COM- mon wealth.

Deuided into three parts:

Wherein the Author imitating the
rule of good Phisitions,

First, declareth the disease.

Secondarily, sheweth the efficient cause
thereof.

Lastly, a remedy for the same.

By GERRARD DE MALYNES
Merchant.

Sublata causa, tollitur effectus.



Imprinted at London by *Richard Field*
for *William Iohnes* printer, dwelling
in Red-crosse-streete in ship
Allie. 1601.

2 *The Canker*
might be abolished: whereas all of
them are not sufficient, for every man
to enjoy, defend and know from ano-
ther mans that which he calleth his
owne proper and priuate goods. But
this equality cannot be established,
neither was there any such euer vsed
in any age, or commaunded by the
word of God, but that possessing these
worldly goods, we should so vse them
with charity towards others, as though
we did not possesse them at all: Neuer-
thelesse (as a commonwealth is no-
thing else but a great household or fa-
mily:) yet the Prince (being as it were
the father of the family) ought to keep
a certaine equality in the trade or traf-
ficke betwixt his realme and other
countries, not suffering an ouerbal-
lancing of forreine commodities with
his home commodities, or in buying
more then he selleth. For thereby his
treasure and the wealth of the realme
doth decrease, and as it were his ex-
pences

of *Englands common wealth.* 3
pences become greater, or do sur-
mount his incomes or reuenues.

This is the vnknowne disease of the
politicke body of our weale publicke
before mentioned: the efficient cause
whereof must be found out, before any
remedy can be applied or deuised.

Sublata causa, Tollitur effectus:
sayth the Philosopher: which is graf-
fed in euery mans iudgement, that the
cause of any thing being taken away,
the effect is taken away withall. Here-
uppon let vs note, that properly the
wealth of the realme cannot decrease
but three manner of wayes, which is
by the transportation of ready money,
or bullion out of the same: by selling
our home commodities too good
cheape: or by buying the forreine
commodities too deare, wherein
chiefly consisteth the afore sayd ouer-
ballancing, which is the cause of ine-
quality, we giuing in effect both mo-
ny and commodities, to haue forreine

B. 2

Gerard de Malynes

Consuetudo, vel, Lex Mercatoria:

OR, THE
Ancient Law-Merchant.

Divided into Three PARTS, according to the

ESSENTIAL PARTS
OF
TRAFFICK.

Necessary for

All Statesmen, Judges, Magistrates,
Temporal and Civil Lawyers, Mint-Men,
Merchants, Mariners, and all Others Nego-
tiating in all Places of the World.

By GERARD MALYNES Merchant.

Salus Populi, Suprema Lex esto.

L O N D O N,

Printed by J. Redmayne, for T. Basset, at the George in Fleetstreet;
and R. Smith, at the Royal Exchange in Cornhil. 1685.

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Of Suretiship and Merchants Promises.	C H A P. X.	Pag. 68
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Of the nature of Bills obligatory beyond the Seas, and in England.	C H A P. XIII.	74
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Of Letters of Attorney, or Procurations and Transports, and Conveyances.	C H A P. XV.	78
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	C H A P.	



THE

**MAINTENANCE
OF FREE TRADE**

ACCORDING TO THE
THREE ESSENTIAL
Parts of Traffique;

Namely,

**COMMODITIES, MONEY
and Exchange of Moneys, by
Bills of Exchanges for other
Countries.**

OR,

An answer to a Treatise of Free
Trade, or the meanes to make Trade flourish,
lately Published.

Contraria iuxta se Posita magis Elucescunt.

By GERARD MALYNES Merchant.

LONDON,

Printed by I. L. for William Sheppard, and are to be sold
at his shop, at the entring in of Popes head Allie out
of Lombard Street.

Gerard de Malynes

De Epistole

Præminent studie of Princes; the rather, because the Sacred wisdom hath approved this *Axiom*: That a King is miserable (how rich soever he be:) if he Reignes over a poore people; and that, that Kingdome is not able to subsist (how Rich and Potent soever the people be:) if the King bee not able to maintaine his Estate. Both which, (being Relatives) are depending upon Traffique and Trade, which is performed vnder *Three Simples* or *Essential parts*, namely, *Commodities, Moneys, and Exchange for Moneys by Bills*. Whereupon having lately perused a *Treatise* intituled *Free Trade*, or, *The meanes to make Trade flourish*; wherein the Author, either ignorantly or wilfully, hath omitted to handle *The Prædominant Part of Trade*, namely, *the Mystery of Exchange*: which is the *Publike measure* betwene vs and other Nations, according to which, all our Commodities are bought and sold in forraine parts: his only *Scope* being, to have the Moneys of the
Kingdome

Dedicatory.

Kingdome inhaunced in price; and the forraine Coynes made Currant within the Realme at high Rates, (whereby great inconueniences will follow:) I could not but bee moued, both by my faithfull alleageance due vnto your Maiestie, and the obseruant duty owing by mee, to the Publike good:) To make an answer to the materiall points of the saide Treatise, by comparing things by contraries for the better illustration; the rather for that it was published *in Articulo temporis*, when your Maiesties vigilant Princely Care, had bene pleased to referre the Consideration of this important businessse of State, to the learned, Lord *Vizcount Maundenile*, Lord President of your Maiesties most Honourable Privity Councell, and other persons of knowledge and experience: amongst whom (although vnworthy) my selfe was called, and our opinions were certified vnto your Highnesse. For the Consideration of this weighty matter of great Consequence, is
absolutely



FREE TRADE.
 OR,
**THE MEANES TO
 MAKE TRADE
 FLORISH.**
 WHEREIN,
The Causes of the Decay
of Trade in this Kingdom,
 are discovered:
 And the Remedies also to remooue
 the same, are represented.

The second Edition with some Addition.

PROPERTIVS.
*Nauita de ventis, de tauris narrat arator:
 Enumerat miles vulnera, pastor oues.*

LONDON,
 Printed by *John Legatt*, for *Simon Waterston*,
 dwelling in *Paules Church-yard*
 at the Signe of the Crowne.
 1622.

**THE
 CIRCLE OF
 COMMERCE.**
 OR
**THE BALLANCE OF
 Trade, in defence of free Trade:**
Opposed
To Malynes Little Fish and his Great Whale, and
 poized against them in the Scale.
Wherein also,
 Exchanges in generall are considered: and therein the
 whole Trade of this Kingdom with forraine
 Countries, is digested into a Ballance of Trade,
 for the benefite of the Publique.
 Necessary for the present and future times.

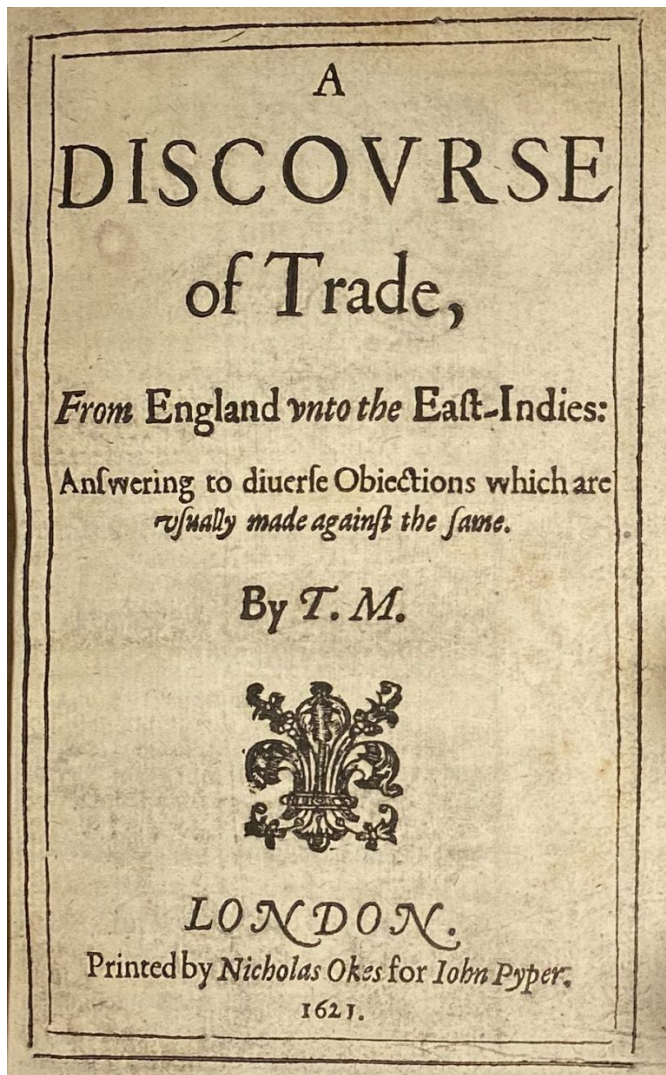
 By *E. M. Merchant.*

 Prov. Cap. 26. Verſ. 4. and 5.
*Answer not a foole according to his folly, least perhaps thou make
 thy selfe also like to him.*
*Answer a foole according to his folly, least peradventure hee be wise
 in his owne eyes.*

LONDON,
 Printed by *John Dawson*, for *Nicholas Bourne*: and are
 to be sold at the Royall Exchange. 1623.

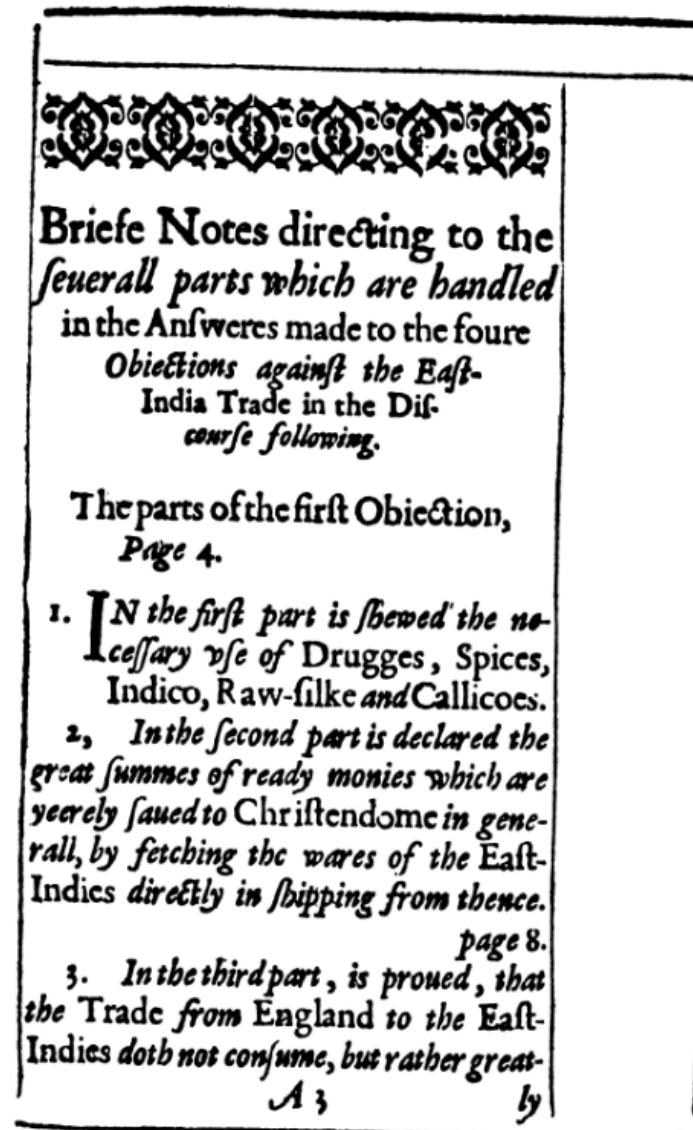
Edward Misselden
 1608-1654





Thomas Mun

1571-1641



THE TABLE.

ly increase the generall stocke and Treasure of this Realme. page 19.

The parts of the second Obiection,
Page 29.

1. *In the first part is set forth the noble use of Ships; and that the timber, planke, and other Materials of this Kingdome for the building of Shipping, are neither become scant nor dearer since the East-India Trade beganne.* Ibidem.

2. *In the second part is shewed the great strength of shipping and warlike provisions, which the East-India Company haue alwayes in readinesse for the seruice of the Kingdome.* pag. 31.

The parts of the third Obiection,
page 33.

1. *The East-India Trade doth not make victuals deare, but is a meanes to increase our plenty.* Ibidem.

2. *It breedeth more Marriners then it doth ordinarily consume, and disturbeneth*

THE TABLE.

eth the Kingdome of very many leude people. page 35.

3. *It hath not destroyed any other Trade or shipping of this Realme, but hath encreased both the one and the other; besides the great addition of it selfe vnto the strength and traffique of this Kingdome.* page 37.

4. *It doth not increase the number of the poore of this Realme (as is erroneously supposed) but it doth maintayne and releue many hundreds of people by their employments, and Charitie.* page 42.

5. *It doth saue the Kingdome yeerely 75000. l. sterling, or thereabouts, of that which it was accustomed to spend in Spices and Indico onely, when they were brought vs from Turkey and Lixborne.* page 43.

The parts of the fourth Obiection,
Page 46.

1. *The East-India Trade doth not hinder*

The Qualities which are required in a perfect Merchant of Forraign Trade.

THe love and service of our Country consisteth not so much in the knowledge of those duties which are to be performed by others, as in the skilful practice of that which is done by our selves; and therefore (my Son) it is now fit that I say something of the Merchant, which I hope in due time shall be thy Vocation: Yet herein are my thoughts free from all Ambition, although I rank thee in a place of so high estimation; for the Merchant is worthily called *The Steward of the Kingdoms Stock*, by way of Commerce with other Nations; a work of no less *Reputation* than *Trust*, which ought to be performed with great skill and conscience, that so the private gain may ever accompany the publique good. And because the nobleness of this Profession may the better stir up thy desires and endeavours to obtain those abilities which may effect it worthily, I will briefly set down the excellent qualities which are required in a perfect Merchant.

As it is very commendable to know what is to be done by others in their places: So it were a great shame to be ignorant in the duties of our own Vocations.

1. He ought to be a good Penman, a good Arithmetician, and a good Accomptant, by that noble order of *Debtor and Creditor*, which is used onely amongst Merchants; also to be expert in the order and form of *Charter-parties, Bills of Lading, Invoyses, Contracts, Bills of Exchange, and Policies of Ensurance.*

2. He ought to know the Measures, Weights, and Monies of all forraign Countries, especially where we have Trade, & the Monies not onely by their several denominations, but also by their intrinsique values in weight & fineness, compared with the Standard of this Kingdome, without which he cannot well direct his affaires.

ENGLAND's
TREASURE

BY

Forraign Trade.

OR,

The Ballance of our Forraign Trade

IS

The Rule of our Treasure.

Written by THOMAS MUN *of*
Lond. Merchant,

And now published for the Common good by his
Son JOHN MUN *of* Bearsted *in the Count-*
ty of Kent, Esquire.

L O N D O N,

Printed by J. G. for Thomas Clark, and are to be sold at his
Shop at the South entrance of the Royal
Exchange. 1663.

3. He ought to know the Customs, Tolls, Taxes, Impositions, Conducts and other charges upon all manner of Merchandize exported or imported to and from the said Forraign Countries.

4. He ought to know in what several commodities each Country abounds, and what be the wares which they want, and how and from whence they are furnished with the same.

5. He ought to understand, and to be a diligent observer of the rates of Exchanges by Bills, from one State to another, whereby he may the better direct his affairs, and remit over and receive home his Monies to the most advantage possible.

6. He ought to know what goods are prohibited to be exported or imported in the said forraign Countreys, lest otherwise he should incur great danger and loss in the ordering of his affairs.

7. He ought to know upon what rates and conditions to freight his Ships, and ensure his adventures from one Countrey to another, and to be well acquainted with the laws, orders and customes of the Ensurance office both here and beyond the Seas, in the many accidents which may happen upon the damage or loss of Ships or goods, or both these.

8. He ought to have knowledge in the goodness and in the prices of all the several materials which are required for the building and repairing of Ships, and the divers workmanships of the same, as also for the Masts, Tackling, Cordage, Ordnance, Victuals, Munition and Provisions of many kinds; together with the ordinary wages of *Commanders, Officers and Mariners*, all which concern the Merchant as he is an Owner of Ships.

9. He ought (by the divers occasions which happen sometime in the buying and selling of one commodity and sometimes in another) to have indifferent if not perfect knowledge in all manner of Merchandize or wares, which is to be as it were a man of all occupations and trades.

10. He ought by his voyaging on the Seas to become skilful in the Art of Navigation.

11. He ought as he is a Traveller, and sometimes abiding in forraign Countreys to attain to the speaking of divers

Languages, and to be a diligent observer of the ordinary Revenues and expences of forraign Princes, together with their strength both by Sea and Land, their laws, customes, policies, manners, religions, arts, and the like; to be able to give account thereof in all occasions for the good of his Countrey.

12. Lastly, although there be no necessity that such a Merchant should be a great Scholar; yet is it (at least) required, that in his youth he learn the Latine tongue, which will the better enable him in all the rest of his endeavours.

Thus have I briefly shewed thee a pattern for thy diligence, the Merchant in his qualities; which in truth are such and so many, that I find no other profession which leadeth into more worldly knowledge. And it cannot be denied but that their sufficiency doth appear likewise in the excellent government of State at *Venice, Luca, Genoua, Florence*, the low Countreys, and divers other places of Christendom. And in those States also where they are least esteemed, yet is their skill and knowledge often used by those who sit in the highest places of Authority: It is therefore an act beyond rashness in some, who do dis-enable their Counsel and judgment (even in books printed) making them incapable of those ways and means which do either enrich or empoverish a Common-wealth, when in truth this is only effected by the mystery of their trade, as I shall plainly shew in that which followeth. It is true indeed that many Merchants here in *England* finding less encouragement given to their profession than in other Countreys, and seeing themselves not so well esteemed as their *Noble Vocation* requireth, and according to the great consequence of the same, doe not therefore labour to attain unto the excellencie of their profession, neither is it practised by the *Nobility* of this Kingdom as it is in other States from the Father to the Son throughout their generations, to the great encrease of their wealth, and maintenance of their names and families: Whereas the memory of our richest Merchants is suddenly extinguished; the Son being left rich, scorneth the profession of his Father, conceiving more honor to be a Gentleman (although but in

There is more honor and profit in an Industrious life, than in a great Inheritance which wasteth for want of vertue.

CHAP. II.

The means to enrich this Kingdom, and to encrease our Treasure.

ALTHOUGH a Kingdom may be enriched by gifts received, or by purchase taken from some other Nations, yet these are things uncertain and of small consideration when they happen. The ordinary means therefore to encrease our wealth and treasure is by *Forraign Trade*, wherein wee must ever observe this rule; to sell more to strangers yearly than wee consume of theirs in value. For suppose that when this Kingdom is plentifully served with the Cloth, Lead, Tinn, Iron, Fish and other native commodities, we doe yearly export the overplus to forraign Countries to the value of twenty two hundred thousand pounds; by which means we are enabled beyond the Seas to buy and bring in forraign wares for our use and Consumptions, to the value of twenty hundred thousand pounds; By this order duly kept in our trading, we may rest assured that the Kingdom shall be enriched yearly two hundred thousand pounds, which must be brought to us in so much Treasure; because that part of our stock which is not returned to us in wares must necessarily be brought home in treasure.

Forraign Trade is the rule of our Treasure.

Again, some men have alleged that those Countries which permit mony to be carried out, do it because they have few or no wares to trade withall: but wee have great store of commodities, and therefore their action ought not to be our example.

To this the answer is briefly, that if we have such a quantity of wares as doth fully provide us of all things needful from beyond the seas: why should we then doubt that our monys sent out in trade, must not necessarily come back again in treasure; together with the great gains which it may procure in such manner as is before set down? And on the other side, if those Nations which send out their monies do it because they have but few wares of their own, how come they then to have so much Treasure as we ever see in those places which suffer it freely to be exported at all times and by whomsoever? I answer, *Even by trading with their Moneys;* for by what other means can they get it, having no Mines of Gold or Silver?

Thus may we plainly see, that when this weighty business is duly considered in his end, as all our humane actions ought well to be weighed, it is found much contrary to that which most men esteem thereof, because they search no further than the beginning of the work, which mis-informs their judgments, and leads them into error: For if we only behold the actions of the husbandman in the seed-time when he casteth away much good corn into the ground, we will rather accompt him a mad man than a husbandman: but when we consider his labours in the harvest which is the end of his endeavours, we find the worth and plentiful encrease of his actions.

Our humane actions ought especially to be considered in their ends.

banks, and suddenly remain dry again for want of waters.

Behold then the true form and worth of forraign Trade, which is, *The great Revenue of the King, The honour of the Kingdom, The Noble profession of the Merchant, The School of our Arts, The supply of our wants, The employment of our poor, The improvement of our Lands, The Nurcery of our Mariners, The walls of the Kingdoms, The means of our Treasure, The Sinnews of our wars, The terror of our Enemies.* For all which great and weighty reasons, do so many well governed States highly countenance the profession, and carefully cherish the action, not only with Policy to encrease it, but also with power to protect it from all forraign injuries: because they know it is a Principal in Reason of State to maintain and defend that which doth Support them and their estates.

FINIS.

DA
CHARLES DAVENANT

- I—A Memorial Concerning the Coyne of England.
November, 1695.
- II—A memoriall concerning Credit.
July 15, 1696.

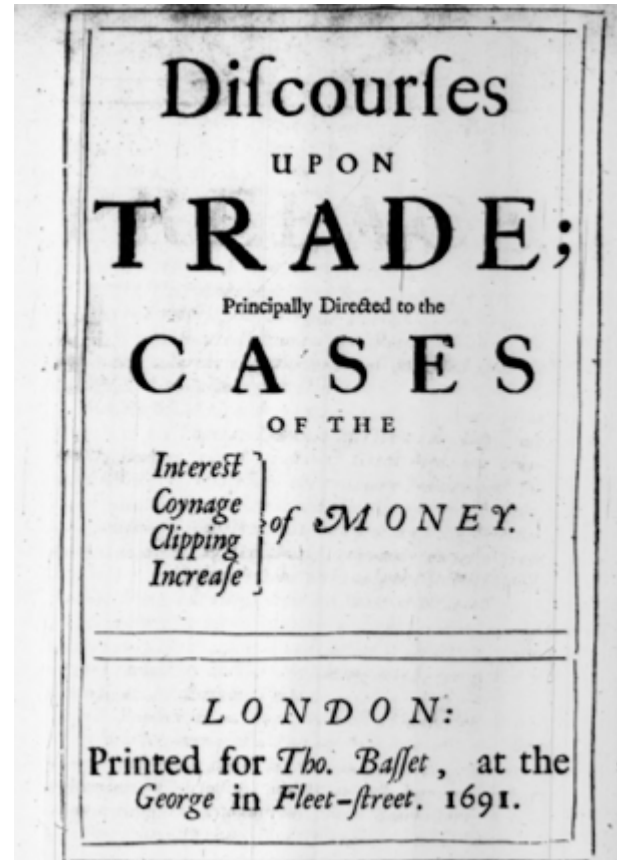
Charles D'Avenant,
1656-1714

2^{dly}—If there should be a want of Species, and of Credit, there must happen a generall decay in the fforraigne Trade and Manufactures of the Kingdom. The spring and originall of all our Commerce abroad, arises from the Materialls that our soil produces, and those Commodities which from thence are manufactured. If the stock of 30. Millions formerly running in Credit be much diminished, and if the species of mony be likewise wanting to carry on the Minuter business in y^e Market, and for payment of labouring men and Artificers, the Manufactures of the Nation must stand still, and if We have not Goods to export, we must expect no Importation, but such as shall be destructive to us. Numbers of men, Industry, Advantagious situation, Good ports, skill in Maritime affaires, with a good Annuall Income from the Earth, are true and lasting Riches to a Country; But to put a Value upon all this, and to give life and motion to the whole, there must be a quick stock running among the people, and alwayes where that stock increases, the Nation growes strong and powerfull; and where it visibly decays, that decay is generally attended wth publick Ruin.





Sir Dudley North
(1641-1691)



Trade is nothing else but a Commutation of Superfluities ; for instance : I give of mine, what I can spare, for somewhat of yours, which I want, and you can spare.

Thus Trade, whilst it is restrained within the limits of a Town, Country, or Nation, signifieth only the Peoples supplying each other with Conveniences, out of what that Town, Country, or Nation affords.

And in this, he who is most diligent, and raiseth most Fruits, or maketh most of Manufactory, will abound most in what others make, or raise ; and consequently be free from Want, and enjoy most Conveniences, which is truly to be Rich, altho' there were no such thing as Gold, Silver, or the like amongst them.

Sir Dudley North
(1641-1691)

Let a Law be made, and what is more, be observ'd, that no Man whatsoever shall carry any Money out of a particular Town, County, or Division, with liberty to carry Goods of any sort : so that all the Money which every one brings with him, must be left behind, and none be carried out. D The

14 *Discourses upon TRADE.*

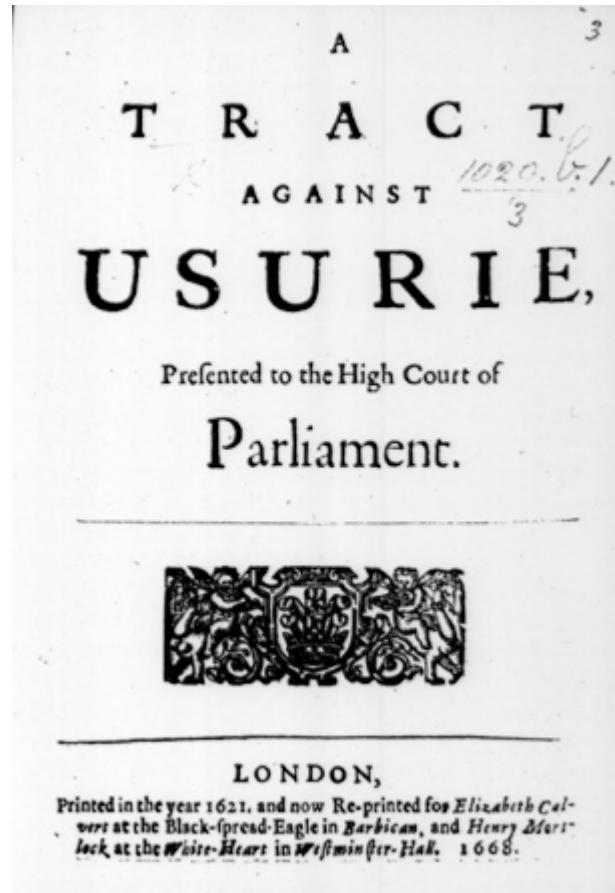
The consequence of this would be, that such Town, or County were cut off from the rest of the Nation ; and no Man would dare to come to Market with his Money there ; because he must buy, whether he likes, or not : and on the other side, the People of that place could not go to other Markets as Buyers, but only as Sellers, being not permitted to carry any Money out with them.

Now would not such a Constitution as this, soon bring a Town or County to a miserable Condition, with respect to their Neighbours, who have free Commerce, whereby the Industrious gain from the slothful and luxurious part of Mankind ? The Case is the same, if you extend your thought from a particular Nation, and the several Divisions, and Cities, with the Inhabitants in them, to the whole World, and the several Nations, and Governments in it. And a Nation restrained in its Trade, of which Gold and Silver is a principal, if not an essential Branch, would suffer, and grow poor, as a particular place within a Country, as I have discoursed. A Nation in the World, as to Trade, is in all respects like a City in a Kingdom, or Family in a City.





Sir Josiah Child
(c. 1630–1699)





Sir Josiah Child
(c. 1630–1699)

1029. 6. 1.
2

BRIEF
OBSERVATIONS
CONCERNING
TRADE,
AND
Interest of Money

By J. Child



LONDON,
Printed for Elizabeth Calvert at the Black-spread-Eagle in Bar-
bican, and Henry Morlock, at the Sign of the
White-Heart in Westminster-Hall. 1668.

A
DISCOURSE
ABOUT
TRADE,

Wherein the Reduction of Interest
of Money to 4*l.* per Centum, is
Recommended. *H. Halloway*

Methods for the Employment and Main-
tenance of the Poor are proposed. *N. B.*

Several weighty Points relating to Companies of
MERCHANTS.

The Act of NAVIGATION.
NATURALIZATION of Strangers.
Our WOOLEN MANUFACTURES.

The
BALANCE of TRADE.
And the Nature of Plantations, and their Conse-
quences in relation to the Kingdom,
are seriously Discussed.

And some Arguments for erecting a Court of Mer-
chants for determining Controversies, relating
to Maritime Affairs, and for a Law for Trans-
ference of Bills of Debts, are humbly
Offered. *H. Halloway*

Never before Printed.

Printed by A. Sower, at the Crooked-Billet in Hol-
loway-Lane: And Sold at the Three Keys in
Nags-head-Court, Great-Street, 1700.

A
DISCOURSE
CONCERNING
TRADE,

And that in particular of

The East-Indies,

Wherein several weighty Propositions are fully
discussed, and the State of the East-India
Company is faithfully stated.

(3)

To proceed, the Propositions intended to be handled, follow
First, That the East-India Trade is the most Na-
tional of all foreign Trades.

Which is thus proved, (*viz.*)

1. **W**hat the Dutch, French, Danes, Portugals, and which not long since the Swedes, and now the Duke of Brandenburg, have with so great charge and expence attempted, and hedged about with Laws and Encouragements, must certainly be matter of the greatest National Consequence.
2. This Trade employs more great War-like English Ships from 50 to 70 Guns, than all the Trades of the World from England besides.
3. This Trade alone furnishes us with Salt-Petre, a most necessary Commodity.
4. Above four fifth Parts of the Commodities imported by this Trade, are again exported, to the vast encrease of Navigation; by the returns of which, more than treble the Bullion is imported that was first exported to India.
5. If the Trade of the East-Indies were not in English hands, the East-India Commodities would come in from Holland, and that with this difference, that we should pay as much for Pepper now sold for 8*d.* the pound, as for Nutmegs, Cloves, Mace, Cinnamon, which is from 6*s.* to 15*s.* per pound, which tho' cheaper at the places of their growth, the Dutch enhance by having the sole Trade for them; this saves the Kingdom in that respect only 500000*l.* per annum.
6. This Trade doth more work upon the Manufactures of our Neighbours, than any other foreign Trade; and whatever weakens them, enriches and strengthens England. It is reasonably computed, that Italy, France, Holland, Flanders, &c. (the Staple Countries for Silks and fine Linnens) by the Importation of East-India Silks and Callicoes, not only into England, but from thence into those Countries, are abated in those fine Manufactures above a Million of Pounds Sterling per annum.

71-160

A

DISCOURSE

OF THE

Nature, Use and Advantages

OF

TRADE.

Proposing some Considerations for the
Promotion and Advancement thereof,

By { *A Registry of Lands.*
 { *Preventing the Exportation of Coyn.*
 { *Lowering the Interest of Money.*
 { *Inviting Foreign Families into England.*

*From Slender Hints, Men serious and discerning,
May gain Experience that is worth the Learning.*

L O N D O N:
Printed, and are to be Sold by *Randal Taylor*, near
Stationers-Hall, 1694.

That Trade does contribute in a very great measure, to the Honour, Strength, Wealth and Preservation of our Government.

That the principal Foundation of our Trade, is derived out of the Land and the Sea.

That the produce of the Land and of the Sea is improved by Manufacture and Merchandize.

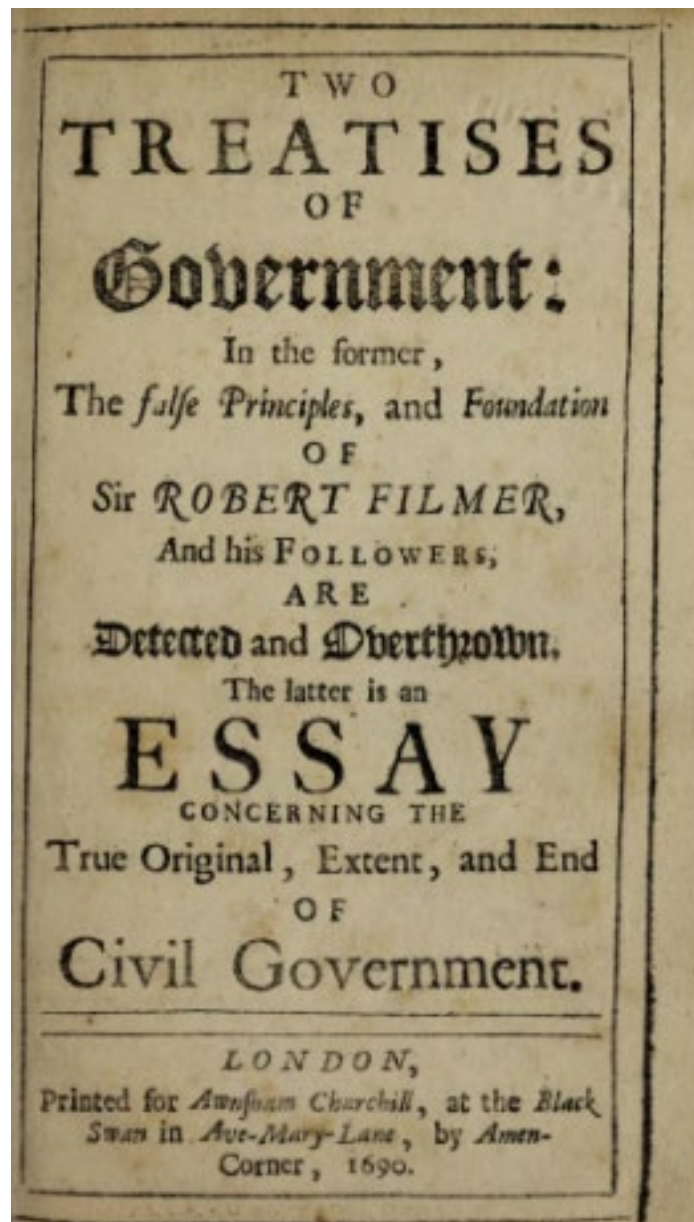
That the Multiplicity of People increase Manufacture and Merchandize.

That Money is the principal medium, whereby People promote Trade.

That Land which is a Substantial valuable and lasting Fund ; being made a safe and ready security , whereon Money may be borrowed



John Locke
(1632-1704)



CHAP. V.

Of PROPERTY.

Whether we consider natural Reason, which tells us, that Men, being once born, have a right to their

R 2

27. Though the Earth, and all interior Creatures, be common to all Men, yet every Man has a *Property* in his own *Person*. This no Body has any Right to but himself. The *Labour* of his Body, and the *Work* of his Hands, we may say, are properly his. Whatsoever then he removes out of the State that Nature hath provided, and left it in, he hath mixed his Labour with it, and joined to it something

R 3

thing

thing that is his own, and thereby make it his Property. It being by him removed from the common state Nature placed it in, it hath by this labour something annexed to it, that excludes the common right of other Men. For this *labour* being the unquestionable Property of the Labourer, no Man but he can have a right to what that is once joined to, at least where there is enough, and as good left in common for others.



CHAP. V.

Of PROPERTY.

Whether we consider natural Reason, which tells us, that men, being once born, have a right to their

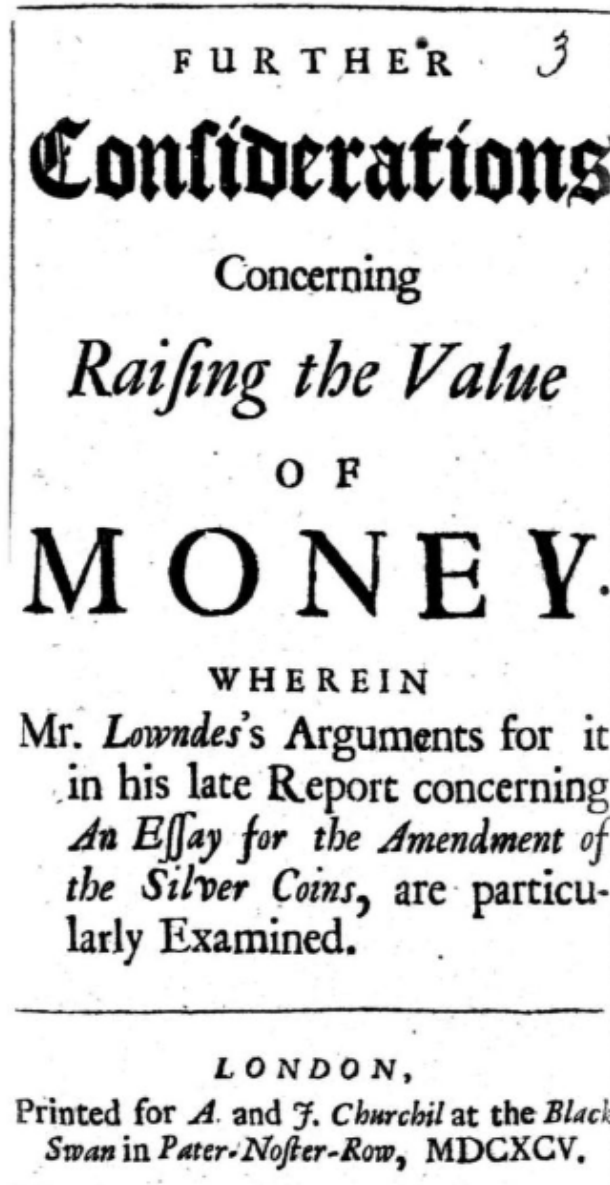
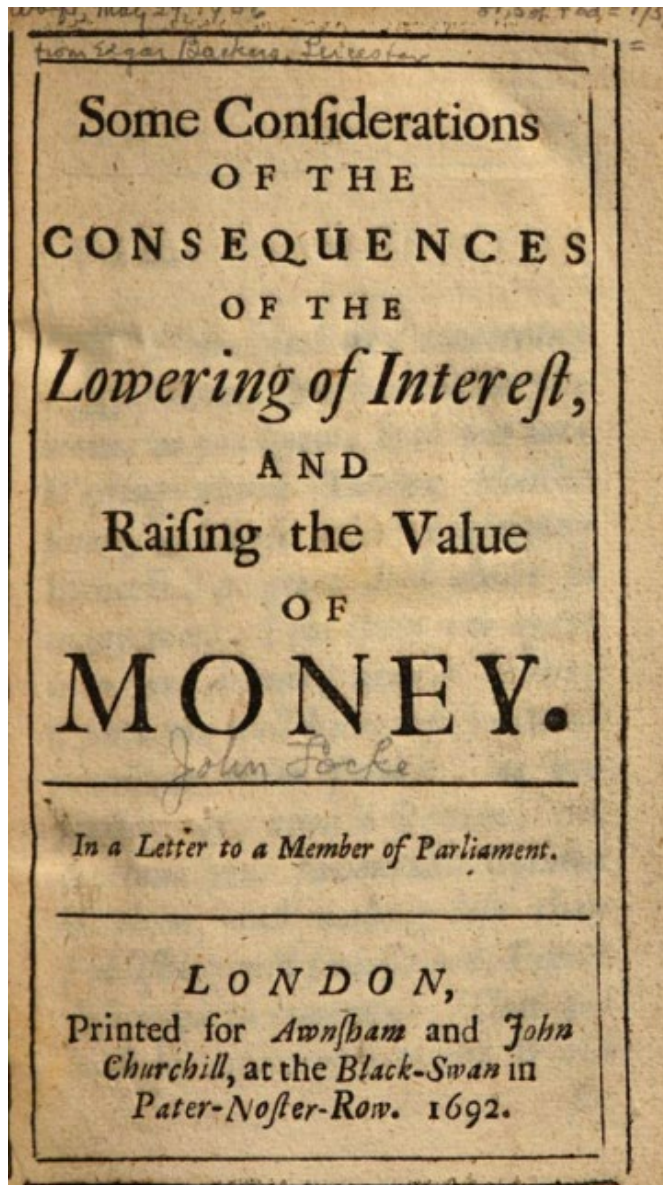
R 2

40 Nor is it so strange as perhaps before consideration it may appear, that the Property of labour should be able to over-balance the Community of Land. For 'tis labour indeed that puts the difference of value on every thing; and let any one consider, what the difference is between an Acre of Land planted with Tabaco, or Sugar, sown with Wheat or Barley; and an Acre of the same Land lying in common, without any Husbandry upon it; and he will find, that the improve-

ment

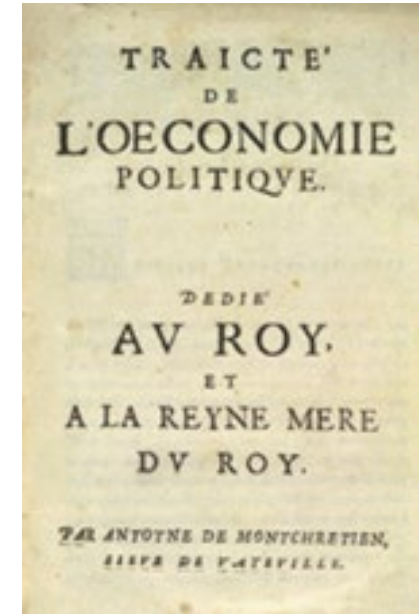
ment of labour makes the far greater part of the value. I think it will be but a very modest Computation to say, that of the Products of the Earth useful to the Life of Man, are the effects of labour: nay, if we will rightly estimate things as they come to our use, and cast up the several expences about them, what in them is purely owing to Nature, and what to labour, we shall find, that in most of them are wholly to be put on the account of labour.







Jean Bodin,
1530-1596.



Antoine de Montchretien,
Sieur de Vatteville, 1575-1621



Jean Baptiste Colbert,
1619-1683.

French mercantilism



Jean Bodin (c. 1530 – 1596)

LA RESPONSE
DE MAISTRE IEAN
BODIN ADVOCAT EN LA COVR
au paradoxe de monsieur de Malestroit,
touchant l'encherissement de toutes cho-
ses, & le moyen d'y remedier.

*A monsieur Preuost, Seigneur de Morfan,
President pour le Roy en sa
cour de parlement.*



A PARIS,
Chez Martin le Jeune, rue S. Iean de
Latran à l'enseigne du Serpent.
1568.





Jean Baptiste Colbert
1619-1683

Memorandum on Trade to Louis XIV, 1664

As for foreign trade:

It is certain that except for a few ships from Marseilles that go to the Levant [the eastern Mediterranean], maritime trade in the kingdom does not exist, to the point that for the French West Indies one-hundred-fifty Dutch vessels take care of all the trade, carry there the foodstuffs that grow in Germany and the goods manufactured by themselves, and carry back sugar, tobacco, dyestuffs, which they [the Dutch] take home, where they pay customs duty on entry, have [the commodities] processed, pay export duties, and bring them back to us; and 'the value of these goods amounts to two million livres every year, in return for which they take away what they need of our manufactures. Instead, if we ran our own West Indies trade, they would be obliged to bring us these two million in hard cash. Having summarized the condition of domestic and foreign trade, it will perhaps not be inappropriate to say a few words about the advantages of trade. I believe everyone will easily agree to this principle, that only the abundance of money in a State makes the difference in its greatness and power.

Aside from the advantages that the entry of a greater quantity of cash into the kingdom will produce, it is certain that, thanks to the manufactures, a million people who now languish in idleness will be able to earn a living. An equally considerable number will earn their living by navigation and in the seaports. The almost infinite increase in the number of [French] ships will multiply to the same degree the greatness and power of the State. These, in my opinion, are the goals that should be the aim of the King's efforts and of his goodness and love for his people. The means proposed for reaching these goals are:

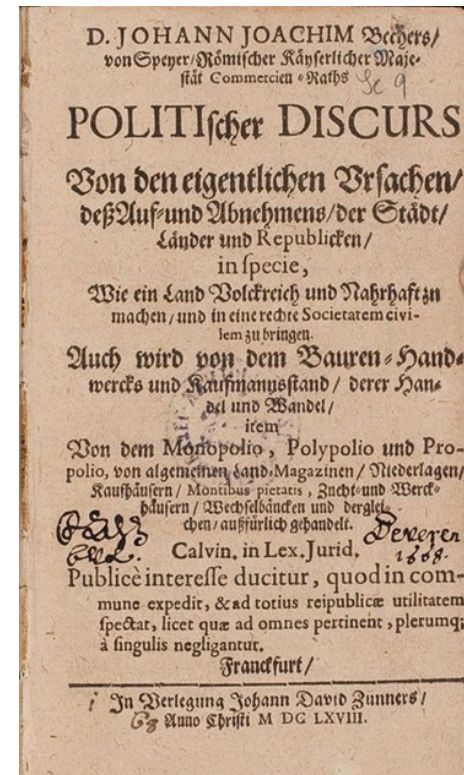
To make His Majesty's resolution known to all by a decree of the Council [on Commerce] meeting in the presence of His Majesty, publicized by circular letters.

To revive all the regulations in the kingdom for the re-establishment of manufactures.
To examine all import and export duties, and exempt raw materials and [domestic] manufactures
Annually to spend a considerable sum for the re-establishment of manufactures and for the good of trade, according to resolutions that will be taken in Council.
Similarly for navigation, to pay rewards to all those persons who buy or build new ships or who undertake long-distance voyages.



- Veit Ludwig von Seckendorff, 1626-1692.
- The German Princes' States, 1655.
- The Christian State, 1688.

Johann Joachim Becher,
1635-1682
Political Discourse of the actual causes of the rise and fall of cities, countries and republics, 1668.



Oesterreich

Über alles

wann es nur will.

Das ist:

wohlmeinender

Gürschlag

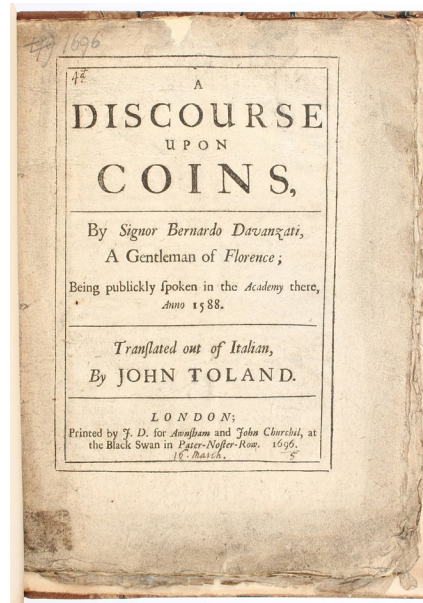
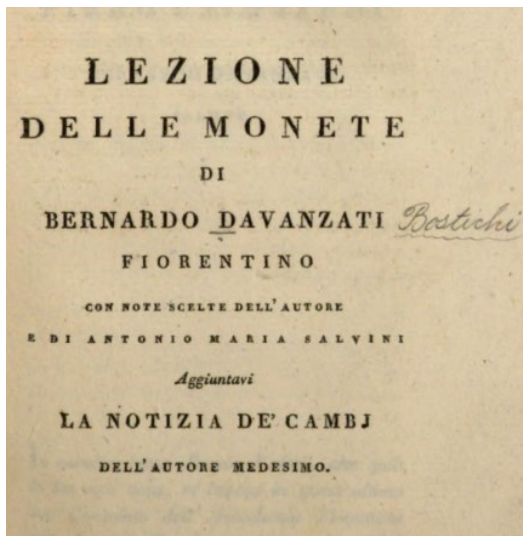
Wie mittelst einer wohl
bestellten Lands-Oecono-
mie; die Kayserl. Erbland in kür-
zem über alle andere Staat von Euro-
pa zu erheben / und mehr als einiger
derselben / von denen andern In-
dependent zu ma-
chen.

Durch einen Liebhaber
der Kayserl. Erbland
Wohlfahrt.

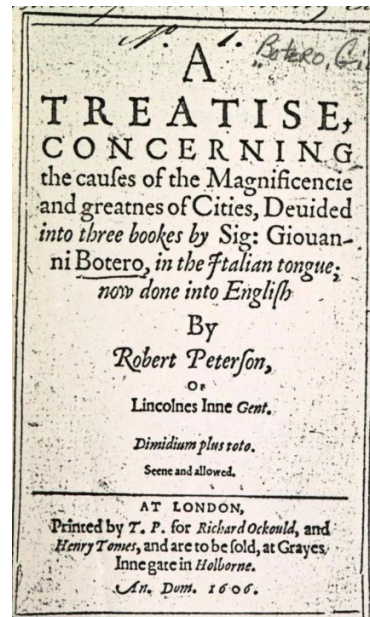
Gedruckt im Jahr Christi

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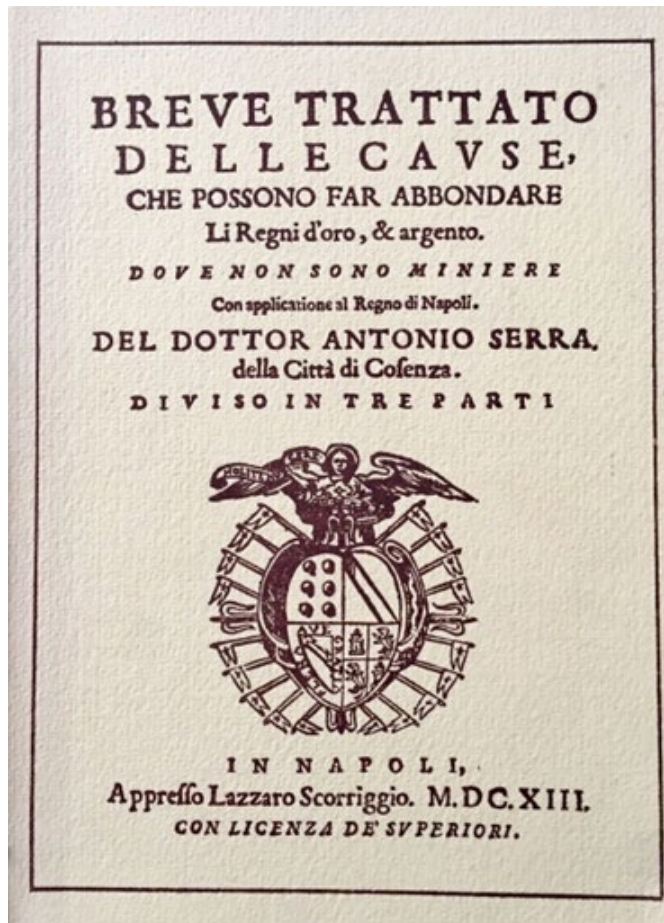
Philip Wilhelm von Hornick, 1638-1712.
Austria above all, if only she has the will
1684.



Bernardo Davanzati
(1529–1606)



Giovanni Botero
(c.1544-1617)



Antonio Serra (?1580-)



Sir William Petty (1623-1687)



Sir William Petty
by Isaac Fuller
oil on canvas, circa
1651, NPG



A Treatise of Taxes and Contributions (1662)

Political Arithmetick (ca. 1676, pub. 1690)

Verbum Sapienti (1664, pub. 1691)

Political Anatomy of Ireland (1672, pub. 1691)

Quantulumcunque Concerning Money (1682, pub. 1695)



TREATISE

OF

Taxes & Contributions.

Shewing the Nature and Measures of

{ Crown-Lands.	{ Penalties.
{ Assesments.	{ Monopolies.
{ Customs.	{ Offices.
{ Poll-Moneys.	{ Tythes.
{ Lotteries.	{ Raising of Coins.
{ Benevolence.	{ Harth-Money.
	{ Excize, &c.

With several intersperst Discourses and Digressions concerning

{ Warres.	{ Beggars.
{ The Church.	{ Ensurance.
{ Universities.	{ Exportation of <small>{ Money.</small>
{ Rents & Purchases.	{ Free-Ports. <small>{ Wool.</small>
{ Usury & Exchange.	{ Coins.
{ Banks & Lombards.	{ Housing.
{ Registries for Con- veyances.	{ Liberty of Con- science, &c.

The same being frequently applied to the present State and Affairs of
IRELAND.

London, Printed for N. Brooke, at the Angel in Cornhill. 1662.

13. Suppose a man could with his own hands plant a certain scope of Land with Corn, that is, could Digg, or Plough, Harrow, Weed, Reap, Carry home, Thresh, and Winnow so much as the Husbandry of this Land requires; and had withal Seed wherewith to sowe the same. I say, that when this man hath subducted his seed out of the proceed of his Harvest, and also, what himself hath both eaten and given to others in exchange for Clothes, and other Natural necessaries; that the remainder of Corn is the natural and true Rent of the Land for that year; and the *medium* of seven years, or rather of so many years as makes up the Cycle, within which \parallel Dearths and Plenties make their ²⁵ revolution, doth give the ordinary Rent of the Land in Corn.

14. But a further, though collaterall question may be, how much English money this Corn or Rent is worth? I answer, so much as the money, which another single man can save, within the same time, over and above his expence, if he employed himself wholly to produce and make it; *vis.* Let another man go travel into a Countrey where is Silver, there Dig it, Refine it, bring it to the same place wherè the other man planted his Corn; Coyne it, &c. the same person, all the while of his working for Silver, gathering also food for his necessary livelihood, and procuring himself covering, &c. I say, the Silver of the one, must be esteemed of equal value with the Corn of the other: the one being perhaps twenty Ounces and the other twenty Bushels. From whence it follows, that the price of a Bushel of this Corn to be an Ounce of Silver.

18. Our Silver and Gold we call by severall names, as in *England* by pounds, shillings, and pence, all which may be called and understood by either of the three. But that which I would say upon this matter is, that all things ought to be valued by two natural Denominations, which is Land and Labour; that is, we ought to say, a Ship or garment is worth such a measure of Land, with such another measure of Labour; forasmuch as both Ships and Garments were the creatures of Lands and mens Labours thereupon: This being true, we should be glad to finde out a natural Par between

Land and Labour, so as we might express the value by either of them alone as well or better then by both, and reduce one into the other as easily and certainly as we reduce pence into pounds. Wherefore we would be glad to finde the natural values of the Fee simple of Land, though but no better then we have done that of the *usus fructus* above-mentioned, which we attempt as followeth.



19. Having found the Rent or value of the *usus fructus per annum*, the question is, how many years purchase (as we usually say) is the Fee simple naturally worth? If we say an infinite number, then an Acre of Land would be equal in value to a thousand Acres of the same Land; which is absurd, an infinity of unites being equal to an infinity of thousands. Wherefore we must pitch upon some limited number, and that I apprehend to be the number of years, which I conceive ²⁷ one man of fifty years old, another of twenty eight, and another of seven years old, all being alive together may be thought to live¹; that is to say, of a Grandfather, Father, and Childe; few men having reason to take care of more remote Posterity: for if a man be a great Grandfather, he himself is so much the nearer his end, so as there are but three in a continual line of descent usually co-existing together; and as some are Grandfathers at forty years, yet as many are not till above sixty, and *sic de cæteris*.



THE
Political Anatomy
OF
IRELAND¹
WITH

The Establishment for that Kingdom when the late Duke of ORMOND was Lord Lieutenant. Taken from the RECORDS.

To which is added

VERBUM SAPIENTI; or an Account of the Wealth and Expences of *England* and the Method of raising Taxes in the most Equal manner.

Shewing also, That the Nation can bear the charge of Four Millions *per Annum*, when the occasions of the Government require it.

By Sir WILLIAM PETTY, late Fellow of the Royal Society, and Surveyor-General of the Kingdom of *Ireland*

LONDON:

Printed for *D. Brown*, and *W. Rogers*, at the *Bible* without *Temple-Bar*, and at the *Sun* over-against *St. Dunstons Church, Fleet-street*. 1691.

BUT to make nearer approaches to the perfection of this Work, 'twould be expedient to know the Content of Acres of every Parish, and withal, what quantity of Butter, Cheese, Corn, and Wooll, was raised out of it for three years consequent; for thence the natural Value of the Land may be known, and by the number of People living within a Market-days Journey, and the Value of their housing, which shews the Quality and Expence of the said People; I would hope to come to the knowledg of the Value of the said Commodities, and consequently the Value of the Land, by

deducting the hire of Working-People in it. And this brings me to the most important Consideration in Political Oeconomies, *viz.* how to make a *Par* and *Equation* between Lands and Labour, so as to express the Value of any thing by either || alone. To which purpose, suppose two Acres of ⁶⁴ Pasture-land inclosed, and put thereinto a wean'd Calf, which I suppose in twelve Months will become 1 *C.* heavier in eatable Flesh; then 1 *C.* weight of such Flesh, which I suppose fifty days Food, and the Interest of the Value of the Calf, is the value or years Rent of the Land. But if a mans labour ————— for a year can make the said Land to yield more than sixty days Food of the same, or of any other kind, then that overplus of days food is the Wages of the Man; both being expressed by the number of days food. That some Men will eat more than others, is not material, since by a days food we understand $\frac{1}{100}$ part of what 100 of all Sorts and Sizes will eat, so as to Live, Labour, and Generate. And that a days food of one sort, may require more labour to produce, than another sort, is also not material, since we understand the easiest-gotten food of the respective Countries of the World.

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Political Arithmetick,

O R

A DISCOURSE

Concerning,

The Extent and Value of Lands, People, Buildings; Husbandry, Manufacture, Commerce, Fishery, Artizans, Seamen, Soldiers; Publick Revenues, Interest, Taxes, Superlucration, Registries, Banks; Valuation of Men, Increasing of Seamen, of Militia's, Harbours, Situation, Shipping, Power at Sea, &c. As the same relates to every Country in general, but more particularly to the Territories of His Majesty of *Great Britain*, and his Neighbours of *Holland*, *Zealand*, and *France*'.

By Sir *WILLIAM PETTY*,
Late Fellow of the *Royal Society*.

London, Printed for *Robert Clavel* at the *Peacock*, and *Hen. Mortlock* at the *Phoenix* in *St. Paul's Church-yard*. 1690.

The Author's Method and Manner of Arguing.

The Method I take to do this, is not yet very usual; for instead of using only comparative and superlative Words, and intellectual Arguments, I have taken the course (as a Specimen of the Political Arithmetick I have long aimed at) to express my self in Terms of *Number*, *Weight*, or *Measure*; to use only Arguments of Sense, and to consider only such Causes, as have visible Foundations in Nature; leaving those that depend upon the mutable Minds, Opinions, Appetites, and Passions of particular Men, to the Consideration of others: Really professing my self as unable to speak satisfactorily upon those Grounds (if they may be call'd Grounds), as to foretel the cast of a Dye; to play well at Tennis, Billiards, or Bowles, (without long practice,) by virtue of the most elaborate Conceptions that ever have been written *De Projectilibus & Missilibus*, or of the Angles of Incidence and Reflection. ||

II.

[The Dialogue of Diamonds¹.]

A. You have a fine ring there on your finger, what did it cost you?

B. I am ashamed to tell you for I am afrayd I gave too

¹ The "Dialogue of Diamonds" is found among the Philosophical Papers collected by Abraham Hill. Brit. Mus. Sloane MS. 2903, f. 44 seq. Dr Hill (1635—1721) was resident in Gresham College in 1660 and was one of the

626

Appendix.

B. I like this discourse very well but have no occasion for so deep an inspection into the matter. I have but 2 or 300*l.*, to lay out and I heare that the market at this time is at a midling pitch & therfore I had rather heare from you upon the intrinsec causes & such as lye within the stone it self.

A. I am content. You must therfore know that these intrinsec causes are principaly foure, vizt. weight, extent, colour or water, cleanness from faults, & to these you may adde the mode and workmanship of the cutting.

much for it, & the truth is I wonder how any man [can] tell what to give, there be so many nice considerations in that matter in all which one has nothing but meere guesse to guide himself by.

A. Why, did you buy it set?

B. What should I doe with it unset?

A. If you bought it set you lost two of the best guides & measures whereby to have known its price, namely the weight and the extent, both which are computable otherwise then by meer guesse; beside the water and colour of the stone as also the clouds icecles & points are somewhat better discerned when you can look round about it, then when you look upon it but as through a window.

B. Well, I was not so wise; but I must needs buy some more diamonds shortly, wherefore pray instruct me if you can.

A. I will & first take notice that the deerness or cheapness of diamonds depends upon two causes, one intrinsec which lyes within the stone it self & the other extrinsec & contingent, such as are [1.] prohibitions to seek for them in the countrys from whence they come. 2. When merchants can lay out their money in India to more profit upon other commoditys & therefore doe not bring them. 3. When they are bought up on feare of warr to be a subsistence for exiled and obnoxious persons. 4. They are deer neer the marriage of some great prince, where great numbers of persons are to put themselves into splendid appearances, for any of these causes if they be very strong upon any part of the world they operate upon the whole, for if the price of diamonds should considerably rise in Persia, it shal also rise perceivably in England, for the great merchants of Jewels all the world over doe know one another, doe correspond & are partners in most of the considerable pieces & doe use great confederacys & intrigues in the buying & selling them.



Natural and Political
OBSERVATIONS

Mentioned in a following INDEX,

and made upon the

Bills of Mortality.

B Y

Capt. *JOHN GRAUNT*,
Fellow of the *Royal Society*.

With reference to the *Government, Religion,*
Trade, Growth, Air, Diseases, and the several
Changes of the said CITY¹.

——— *Non, me ut miretur Turba, laboro,*
Contentus paucis Læloribus.———

The Fifth Edition, much Enlarged².

L O N D O N,

Printed by *John Martyn*, Printer to the *Royal Society*,
at the Sign of the *Bell* in *St. Paul's Church-yard*.

MDCLXXVI.

End of Lecture



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