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The Political Balance of Trade . . . ? ?

Salim Rashid

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FACULTY WORKING PAPER NO. 89-1536

College of Commerce and Business Administration

University of Illinois at Urbana-Champaign

February 1989

The Political Balance of Trade . . . ? ?

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ABSTRACT

The prevailing belief, dating from Adam Smith, that the balance-of-trade was the dominant facet of English economic policy since the time of Thomas Mun, is questioned. It is argued that Samuel Fortrey is a more likely "founder" for this doctrine and that the influence of the balance-of-trade is due almost entirely to politics.

THE POLITICAL BALANCE OF TRADE . . . ? ?

"Before they learn there is a God to be worshipped they learn there are Frenchmen to be detested," Fougerebert de Montbron, quoted by Roy Porter, English Society in the Eighteenth Century.

It is well-known that concern for the Balance-of-Trade is the distinguishing mark of the economic thought of the century prior to Adam Smith. No one would deny that the balance-of-trade is one important aspect of trade. What is striking is the enormous importance attached to the Balance-of-Trade under the Mercantile System. Was the almost hysterical stress laid upon the Balance-of-Trade a sign of demented economic thought or was the hysteria a cover for some non-economic objectives of the pamphleteers? Adam Smith attributed the Balance-of-Trade doctrine--a phrase I shall use throughout to indicate the near exclusive emphasis given to this concept--to a failure to distinguish real from nominal wealth and suggested that the doctrine originated with Thomas Mun in the 1620s. In this paper, I shall try to focus more precisely on the rise of the Balance-of-Trade (interpreted in the extreme sense noted above) in order to suggest that Thomas Mun had very little to do with the rise of this doctrine. Rather, Samuel Fortrey appears to have been the most influential figure in arousing popular concern. This suggests that the doctrine of the Balance-of-Trade may have been a cover for discussing the non-economic dangers of the Anglo-French Trade and, if the conjecture is reasonable, it would require a substantial change in our view about "Mercantilism."

A long-established tradition in the history of economic thought credits the East India merchant, Thomas Mun, with being the chief

architect of what Adam Smith called "The Mercantile System," whose principal doctrines are to be found by examining the balance of trade.¹

Of the innumerable company of English mercantilist writers and pamphleteers, one has, by common consent, a pre-eminent claim to be chosen as spokesman of the somewhat heterogeneous group. It is not merely that Thomas Mun (1571-1641) approaches most nearly to a systematic statement of mercantilist principles; of no less importance is the fact that he wrote at a time when Mercantilism was yet scarcely exposed to the disintegrating forces which made the mercantilist of the middle and later periods in some respects anticipators of a more liberal policy.

Nonetheless, scholars who have explored the doctrines embodied in the balance of trade have concluded that nothing was invented in the 1620's except the phrase.² The suggestion that Mun's ideas circulated widely in manuscript and influenced policy even before the publication of Mun's pamphlet in 1664 is unlikely because of the high likelihood of publication having been decided upon by the government in 1664 in order to provoke anti-Dutch feeling.³ Indeed, for someone who is reputed to have founded an "ism," it is the paucity of references to Mun that is striking. This would suggest that Mercantilism, as characterized by a discovery of the importance of the balance of trade, probably did not begin in the 1620's.

While the primary focus of this paper is upon the Balance-of-Trade, it is worth referring briefly to a second aspect of Mercantilism, also developed in Book IV of the Wealth of Nations, that of protection to domestic industries. If protection for domestic industries is taken to characterize the Mercantile System, then we have to explain why duties upon both exports and imports were low and

equal upon the accession of William III in 1688 and only slowly altered into a protective system by the second decade of the eighteenth century. The empirical evidence flatly contradicts the supposition that protection was a dominant feature of English Commercial Policy prior to 1690.

There are two main issues connected with the Balance of Trade. First, why was a favorable balance of trade so frequently and so emphatically desired by English political economists between 1600-1750? Secondly, since the political economists of this period also had other goals, what was the relative importance of the balance of trade and why did its relative importance change over time? It has been frequently remarked that politics dominated economics at this era but the observation has not been satisfactorily applied. Scholars have generally been content to accept Adam Smith's characterization of the balance of trade as a Midas-like hunt for the precious metals and his ascription of influence to Thomas Mun has led to the latter being generally credited as the "founder" of the "balance-of-trade dogma." It will be argued here that the rise of the balance-of-trade as a talisman of economic policy owes much to Anglo-French relations between 1660 and 1720, a point originally made by William Ashley.⁴ When Anglo-French conflict became less acute in the years that followed, the use of the Balance of Trade declined. Such an interpretation helps to synthesize various disparate interpretations extant in the literature, such as the emphasis on specific balances in the overall balance-of-trade, the Tory origins of Free-Trade policy, and the rise of protection as an aspect of English Trade policy.

II. In the Wealth of Nations Adam Smith provided a carefully ambiguous account of Thomas Mun's influence. We are simply informed that⁵

The title of Mun's book, England's Treasure in Foreign Trade, became a fundamental maxim in the political economy, not of England only, but of all other commercial countries.

We are not told when Mun's book was written, when it was published, whether the book itself was influential or whether its title merely reflected an accepted policy. Since Mun's views were first published in 1621, then developed further in 1628, his manuscript (supposedly) circulated extensively in the 1630's and the work itself was published only in 1664, Smith's account does little to inform us about the actual influence of the Balance-of-Trade policy.

In his Lectures on Jurisprudence Smith is much more informative about the growth of balance-of-trade doctrines. In LJ(A) we are told of the origins of the Mercantile System that:⁶

The wealth of the kingdom has by allmost <?all> the authors after Mun been considered as the gold and silver in it. In his book...he endavours to show the ballance of trade is the only thing which can support England...On this doctrine of his, which however foolish has been adopted by all succeeding writers..

This system, so different from that I have been endavouring to explain, had been hinted at by preceding writers, but Mr. Mun was the first who formed it into a regular system.

Smith goes on to point out that John Locke provided a more philosophical, but no more successful, defense of these notions. A little later, however, his chronology appears to change⁷

No nation can be ruined by the ballance of trade being against them...This indeed has been the cry, ever since the time of Ch. 2^d, and notwithstanding of this country has continually improved in riches, in strength and opulence (emphasis added).

LJ(B) does not add anything of significance (pp. 507-510), so it is appropriate to consider Smith's qualification, "ever since the time of Ch. 2^d." Why does Smith focus upon this period, i.e., after 1660? He must have known from the prefatory account written by Mun's son that Thomas Mun had written the pamphlet much earlier and that he was long since dead?

The choice of this period is however most interesting because it shows Smith's perceptive recognition of the fact that a new emphasis was being given to the balance of trade at this period. Smith offers no explanation for this sudden rise nor does he suggest that the importance of the doctrine had declined in the eighteenth century-- indeed he tries to emphasize that the doctrine was still dominant in his own day.

Why should the English worry so much about the specific balance of trade with France--contrary to Jacob Viner's claim that specific balances mattered only as part of the general balance of trade?⁸ It is necessary to review some of the prominent features of the political scene, especially since these have not been utilized by most historians of economic thought who have examined Mercantilist ideas. Charles II gave the English nobility and clergy much to worry about. The Restoration had provided Charles II with an income dependent upon the Customs revenues and hence upon the balance of trade. The greater the volume of foreign trade, the greater the King's revenues, and henceforth "Free-Trade" was much in favor among the Tories. A nation that had been reluctant to pay Ship-money for fear that Charles' father would become too strong could be expected to be suspicious

about making Charles overly independent. So careful were some Englishmen on this point that in 1673 and 1674, even while urging Charles to publicly enter the war against France, some of the most Protestant and patriotic leaders of the opposition were secretly meeting the French ambassador.

Charles' evident partiality for Roman Catholicism, his ties with France and his admiration for his french cousin, Louis XIV, soon aroused suspicion. The measures of religious toleration that he initially espoused were seen as a cover for helping Roman Catholics. Charles' marriage in 1662 with the Portuguese princess, Catherine of Braganza, instead of a Protestant princess could also be interpreted similarly, as would the appointment of Catholic sympathizers such as Henry Bennet to Secretary of State in 1661 (to the evident dissatisfaction of his main counsellor, the strongly Protestant Earl of Clarendon).

Actually, Charles did not have to do very much to arouse English suspicions. The policies of Louis XIV would have put on guard even an indifferent spectator. The natural wealth of the French had long been obvious and the following comments of an Italian in 1661 reflects a virtually unanimous opinion.⁹

Heaven itself has given the nation almost miraculous gifts. It is full of fertile land . . . excellently situated upon two oceans, watered by many navigable rivers . . . well-populated . . . rich in wealth and in soldiers.

Immediately after taking over power personally in 1661, Louis made his presence felt. In October 1661 Louis used a quarrel between the

French and Spanish ambassadors in London to force the Spanish ambassador in France to provide a public apology and thereby humiliate his father-in-law, the King of Spain. The Spanish got the better of the French in the fights that took place in London and Samuel Pepys observed that "all the city did rejoice. And indeed we do naturally all love the Spanish and hate the French." In 1662, the French ambassador in Rome deliberately picked a quarrel with the Pope, then made the Pope apologize and even insisted upon the erection of a pyramid as an expression of papal sorrow.

That 46 thousand men has passed through Lyons to Marselliers and so for Italie, I am an eye-witness of it and there are more daily passing notwithstanding the articles and the Piramede which is erected in Rome very high for the King <of> France and so proude that none but the Italiens would suffer it.

More directly insulting was the order issued to Louis to English warships to salute the French flag in the Mediterranean. Louis even discovered a local law of succession in Brabant that would influence the heir to the ailing King of Spain and gave him a reason for interfering in the affairs of that Kingdom. Samuel Pepys noted in his Diary for 1663:¹⁰

The Duke also told us of several Christian commanders (French) gone over to the Turkes to serve them; and upon inquiry I find that the King of France do by this aspire to the Empire, and so to get the Crowne of Spayne also upon the death of the King, which is very probable, it seems.

The attention paid by French ministers such as Mazarin and Colbert to the needs of war is neatly summed up in Colbert's phrase "Trade is the source of [public] finance and [public] finance is the vital nerve

of war." It was only to be expected that the English would retaliate with similar sentiments. The clearest statement of this is to be found in an (undated) memorandum of Lord Shaftesbury.¹¹

That which makes the Consideration of Trade of far greater import now than ever is that the Interest of Commerce, though formerly neglected, is of late years Become an Express Affair of State as well with the French as with the Hollander and Swede. And because it is understood by latter experience to be more Conducing towards an universal Monarchy (either for the gaining or preventing of it) then either an Army or Territory, though never so great, of which Instances out of several kingdoms might easily be Produced, In regard It is Trade and Commerce alone that draweth store of wealth along with it and its Potency at sea By shipping which is not otherwise to be had.

It is in this atmosphere of growing distrust and suspicion that the pamphlet of Samuel Fortrey should be placed.

III. Samuel Fortrey was "one of the Gentlemen of his Majesties most Honourable Privy Chamber." Fortrey's pamphlet England's Interest and Improvement was published in 1663 and, significantly, dedicated to Charles II.¹² It is a pamphlet deserving of much greater attention than has hitherto been given to it. For more than a half-century, this pamphlet and its figures were quoted as demonstrating the injury received by trade with France. The pamphlet is an able one, which begins by noting that England's prosperity lies in increasing its Store (Production) and Trade (Exchange). The easy acceptance of industrious foreigners is urged and the dangers to religion from greater toleration considered and shown to be minimal. (A topical issue!) Fortrey's acuteness in the pursuit of profit--a property he attributed to mankind in general--is repeatedly shown. He urges the cultivation of items "which are of least charge at home, and greatest value abroad." On these grounds he strongly supports enclosures, a topic heatedly debated in the 1650's, and also supports monopolies for trade when the monopoly can be effective. The fact that a profit oriented individual wishes to do something is a strong ground for permitting the thing to be done, according to Fortrey.¹³

First, that inclosures would not have been opposed, had it not appeared, that most landlords endeavoured it; which is a greater argument of Improvement; for did not the landlord suppose it would improve his land to a higher value; he would never have been persuaded to do it; and the reason why it would have been of greater advantage to the landlord, is because the tenant could make more profit of it, or else we should not fine them so greedy after pasture.

It cannot be said that the pamphlet was only aimed at the Balance of Trade, even though this is the point that attracted the greatest

attention. On pages 21-30 Fortrey provides a list of items showing the yearly loss of £1,600,000 to England, suggests that the English take steps to patronize their own products and reject French ones, and draws up rules for treating imports in a manner familiar to all students of this literature. Fortrey goes on to claim that laws to prohibit the transport of bullion are needless, since the flow will follow the balance of trade.

All the ideas connected with Mercantilist trade are clearly and concisely described by Fortrey. It is only a year later that Thomas Mun's England's Treasure by Foreign Trade was first published by Richard Mun, the son of Thomas. Richard's claim that the manuscript had circulated widely has not been independently confirmed. McCulloch claimed that the publication of Mun's work was to support the policy of free export of bullion which was permitted in 1663.¹⁴ Even if this be true, and no evidence has hitherto been provided to support the conjecture, it is worth noting that the policy itself was advocated a year earlier by Fortrey, and apparently discussed by him at the court before the measure was enacted. The evidence would therefore suggest that it is Fortrey who initiated concern with the balance of trade, particularly with France, and that Mun's work, apart from its serviceability against the Dutch, was perhaps published to take advantage of the concern created by Fortrey.

There is only one point in Fortrey's pamphlet that appears to support the Midas fallacy.¹⁵

the only way to be rich, is to have plenty of that commodity to vent, that is of greatest value abroad; for what the price of anything is amongst our selves,

whether dear or cheap it matters not; for as we pay,
so we receive, and the country is nothing damnified
by it; but the art is when we deal with shortages,
to sell dear and to buy cheap.

This is consistent with the notion that gold and silver are the only forms of real wealth. The rest of the pamphlet does not support this notion and, he even directly contradicts the money-is-wealth notion when he writes, a little later, that "our money and coin, which is also a commodity as well as the rest [of commodities]."

At a critical point in his argument, just after showing the loss to France, he states¹⁶

our treasure must needs be wasted to even the
balance; and so our own people remain idle and
poor . . .

This stress upon employment is not new but only continues a theme earlier introduced when Fortrey spoke of the benefits of manufactures.¹⁷

In the next place, our manufactures are to be considered, on which chiefly depends both the wealth and prosperity of this kingdom; for by the increase and encouragement thereof, the Subjects are employed in industrious callings, maintained and preserved from want, and those mischiefs which commonly attend idleness: the people furnished at home with all things both of necessity and pleasure and by the overplus procure from abroad, what ever for use or delight is wanting.

A careful study of the pamphlet literature does not provide evidence to support the notion that Thomas Mun initiated the emphasis upon Balance-of-Trade. Since the fact of such an emphasis is undoubted, someone presumably has to take the "blame" for having begun the Balance-of-Trade scare. Samuel Fortrey appears to be the only plausible candidate for such a role in the years 1663-64.

IV. Most of the rest of the story has been carefully told by Ashley, in his justly famous paper on "The Tory Origins of Free Trade Policy," so it is necessary to make only brief reference to subsequent events. The increasingly close relationship of Charles II with Louis XIV, including a secret treaty, subsidies and even a french mistress. The Whig party steadily strengthened its anti-Catholic and anti-absolute monarchical stance and therefore anti-French attitude. In 1667 Colbert introduced a tariff that was practically prohibitive and destructive of the English woolen market. In 1673, Fortrey's pamphlet was re-printed and Fortrey reported an increase in general interest in his ideas. Finally, in 1674, a group of 14 important Whig merchants produced "A Scheme of Trade" in which the overbalance with France was set at a million pounds.¹⁸ Anti-French feeling grew in strength and in 1678 an Act was passed prohibiting the import of many French goods including Wine, Brandy, Cloth and Silks. A pamphlet war was set in motion and Ashley has focussed on the fact that most of the arguments for free-trade with France have considerable theoretical gaps and are more properly attributed to the Tory sympathies of their authors than to calm intellectual convictions. This aspect of Ashley's argument cannot be faulted. However by focussing upon free-trade he has touched upon something that had a limited influence between 1680 and 1715--by dealing with the Balance of Trade instead, Ashley would have been able to illuminate a concept that spanned the entire period from the Restoration of Charles II to the publication of the Wealth of Nations. Indeed, despite his open sympathy with the Historical School of Economics, Ashley often writes as though the free-trade point of view is the only "scientific" one.

The main point of difference between Ashley and this essay lies in dating the beginnings of the balance-of-trade scare. The emphasis of Mun's pamphlet was primarily anti-Dutch. While English policy was concerned with both the Dutch and the French in 1660, the alarm over the Balance of Trade does not appear to have included the Dutch at any point.¹⁹ As an examination of the pamphlets of the period, such as those of Sir Josiah Child or of Dudley North, will show, it was the interest rate that attracted attention when the Dutch were considered. In any case, the Dutch were clearly beaten and outdistanced by the English in the 1680's and henceforth the French were the primary concern of the English. Ashley notes some antecedents of the Scheme of Trade but nonetheless considers 1674 to be a critical date. On the other hand, it has been argued above that antipathy to the French increased steadily between 1660 and 1663. There are further reasons for considering the years 1660-1663 as important for the growth of the balance-of-trade doctrine. Charles Davenant, in reviewing the growth of English commercial policy, notes the rise of anti-French sentiment from 1660 onwards²⁰

About the year 1660 . . . France became the rising empire. And it rose so fast as to beget just apprehensions to England for our future safety. In the meanwhile several good patriots, perceiving the Court then fatally running into French interest and measures, and finding it would be difficult to engage the people (newly come out of a civil war) to follow and join with them in more national councils, by speculations merely political concerning the progress of the French arms and power, they thought the best course to awaken Englishmen was to alarm them about the danger they were in to lose their trade; and, for this reason, nothing was so common as to cry 'that England was undone by the prodigious overbalance the French had upon us.'

Margaret Priestley has pointed out how there were extensive negotiations for an Anglo-French commercial treaty between 1663 and 1672--a concern that seems explicable by the thesis that the balance-of-trade had risen to the status of a bogey by the time of Fortrey's pamphlet. Indeed, when figures were drawn up on this issue, the figures for 1662 and 1673 were considered. Why were these dates chosen? Whether we settle upon 1663 or 1673, it is clear in either case that Thomas Mun's pamphlet had little to do with the rise of the balance of trade to prominence. When Fortrey wrote England's Interest he made it clear that he was only expressing what all "ingenious persons" always knew, so that he was original only in the narrow sense. Insofar as the English needed a pedagogue to impress them with the importance of the balance of trade it is Samuel Fortrey and not Thomas Mun who fills that role.²¹

The concern for French power is visible in the writings of almost all English travelers in France and in 1702, John Northleigh took as the first reason for the growth of French power an issue directly connected with the Balance-of-Trade.²²

That which has facilitated the French Conquest
is the want of Money in those Neighboring
Countries they have attacked; and where they
cannot pay for their own defense, they always
want hands and hearts to fight for it.

Awareness of the French presence is visible in the works of English intellectuals from all fields, whether it be mathematicians such as John Wallis or poets such as John Dryden. When the cosmopolitan, Jacob Vanderlint, wrote some 50 years later, he had to insert a qualification about the French.²³

All nations of the world therefore should be regarded as one body of tradesmen, exercising their various occupations for the mutual benefit and advantage of each other . . . I will not contend for a free and unrestrained trade with respect to France, though I can't see it could do us harm even in that case.

Between 1688 and 1815, England and France were locked in a superpower struggle and were at war approximately one year in two.²⁴ The fact that economists also appear to have freely adopted their economics to their politics has not, however, received adequate notice. The political affiliation of men like Charles Davenant or Dudley North has been fairly obvious but it is only recently that we have come to appreciate that Gregory King's famous tabulation hides many Tory prejudices.²⁵ More revealing is the fact that Henry Martin, whose Considerations on the East Indian Trade has long been hailed as one of the landmarks of free-trade thought, contributed wholeheartedly to the violently anti-French British Merchant. How is this change explicable unless we admit the malleability of economics under political pressure?²⁶

The importance of the Balance-of-Trade as a critical element in National Power is also seen in the activities of the philosopher, John Locke. While the economic arguments of Locke's Considerations clearly display an appreciation for the free-market, Locke was quite emphatic in not allowing foreign trade to regulate itself.²⁷

Money also is necessary to us, in a certain proportion to the plenty of it amongst our neighbors. For, if any of our neighbors have it in a much greater abundance than we, we are many ways obnoxious to them. 1. They can maintain a greater force. 2. They can tempt away our people, by greater wages, to serve them by land or sea, or in any labor. 3. They can command the markets, and thereby break our

trade, and make us poor. 4. They can on any occasion engross naval and warlike stores, and thereby endanger us.

There can be little doubt that Locke had the French primarily in mind.

The editor of Locke's travel diary, Locke's Travels in France 1675-1679, writes that²⁸

Though he is mentioned only seldom by name, Colbert and his multifarious activities figure prominently in the pages of the Journal. Besides his work for the French navy and his conduct of the French finances during the war years, a subject to which Locke devoted much space, we see reflected here his attempt to bring about a great development of French trade and industry.

Even though it is not explicitly designated as such, a careful examination of Chapter 3 of Book IV of the Wealth of Nations, which deals with restraints upon importation, will show that the argument is closely geared to the earlier debates on Anglo-French trade. And when the balance-of-trade was no longer significant, Charles James Fox showed the old Whig hostility to France in opposing the French Commercial Treaty of 1787 on the grounds that France and England were natural enemies.

Since anti-French sentiment certainly did not die down during the eighteenth century, it remains only to ask why the balance of trade ceased to be of such importance after 1720. Of the change itself many scholars are in agreement--Charles Wilson and E. A. J. Johnson, for example--and a plentitude of quotes can support them.²⁹ Let us note that employment was always an important consideration in English economic thought and what needs explanation is the rise and fall of the balance of trade, rather than the prominence of employment. There

appear to be four explanations for the decline of the balance-of-trade scare. First, the need for investible capital, stressed by Max Beer and by Barry Supple,³⁰ declines with the considerable trade surpluses arising after the Commercial Revolution.³¹ Secondly, with the reform of the coinage and the success of the Bank of England the need for bullion as a circulating medium became easier to satisfy. Thirdly, War Finance--an item whose importance is denied by Viner but shown to be significant by Davis--gave rise to the Bank of England and to the explosive growth of the National Debt and made the balance-of-trade of lesser importance.³² Finally, concern for the power of the nation became increasingly focussed upon colonial policy rather than the balance-of-trade and reached fairly mature formulations in the writings of Joshua Gee and Malachy Postlethwayt.³³

What does all this tell us about the history of economic thought?³⁴ First, that the foreign trade doctrines of the English economists is of little value, unless studied in close conjunction with the detailed politics of each period. Secondly, that the purely economic views of the Mercantilists have to be obtained from their micro-economic arguments and their views of the domestic macro-economy. Finally, it would appear that there is a doctrinal continuity in English economic thought in the two centuries prior to Adam Smith, but that this is based on a concern for employment. If the thesis of this paper be correct, the "balance of trade" was largely a political shibboleth.

FOOTNOTES

¹A. Gray, The Development of Economic Doctrine (London 1983), 73. The myth of Mun's discovery appears to have grown over time. See D. Boorstin, The Discoverers (New York 1985) and I. Michelman, The Roots of Capitalism in Western Civilization (New York, 1985).

²J. Viner, Studies in the Theory of International Trade (New York, 1937).

³R. Davis, "English Foreign Trade 1660-1700," Economic History Review (1954), VII, 2, 257-272, "The Rise of Protection in England, 1689-1786," Economic History Review (1966), XIX, 2, 306-317. P. Seaward, "The House of Commons Committee of Trade and the Origins of the Second Anglo-Dutch War, 1664," Historical Journal (1987), 437-452.

⁴W. Ashley, "The Tory Origin of Free-Trade Policy," Quarterly Journal of Economics (July 1897). Reprinted in Surveys, Historical and Economic, 268-303. A game-theoretic perspective is provided by J. A. C. Conybeare, Trade Wars (Columbia University Press, 1987), Ch. 6. Older historical studies, e.g., K. Feiling, British Foreign Policy 1660-1672 (London: Cass, 1968 reprint) have ignored the issues posed by Ashley and addressed in this paper.

⁵A. Smith, An Inquiry into the Nature and Causes of the Wealth of Nations, ed. R. H. Campbell and A. S. Skinner (Oxford 1976).

⁶A. Smith, Lectures on Jurisprudence, ed. R. L. Meek et al. (Oxford: 1976), 300, 381. The two available sets of notes are distinguished as LJ(A) and LJ(B).

⁷Op. cit., 393.

⁸Viner, op. cit., 11. I have not tried to document facts well-known to historians. The general sources I have relied upon are G. N. Clark, The Later Stuarts 1160-1714 (1956); M. Ashley, England in the Seventeenth Century (London: Hutchinson, 1978) new rev. ed., J. P. Kenyon, Stuart England (Penguin 1978), 112, 211.

⁹M. Ashley, Louis XIV and the Greatness of France (London 1948), 32. Many such quotes can be found in John Lough, France Observed in the Seventeenth Century by British Travellers (London: Oriel, 1985).

¹⁰Op. cit., 51. Correspondence of John Locke, ed. E. S. DeBeer (Oxford, 1976), I, 218. A. Browning, ed., English Historical Documents 1660-1714 (New York: O.U.P., 1953), 853. Pepys's Memoirs and Diary, ed. Lord Braybrooke (London; Warne, 1825), 179.

¹¹E. Heckscher, Mercantilism (London, 1965), II, 17. G. L. Beer, The Old Colonial System, vol. I, 242. (Heckscher also uses the above quote.) Both Heckscher and Beer provide a variety of other quotes supporting the general thesis of this essay on the dependence of the balance of trade on politics.

¹²Fortrey's pamphlet is reprinted in J. R. McCulloch, ed., Early English Tracts on Commerce (London: 1856). In a letter of May 8, 1682, Pepys writes to a W. Hewer of a "Mr. Fortrey, one of the Duke's [of York] bedchamber." Memoirs and Correspondence (New York; Bigelow, Brown & Co., 1920), 225.

¹³Fortrey, op. cit., 228.

¹⁴J. R. McCulloch, op. cit., vi.

¹⁵Fortrey, op. cit., 237.

¹⁶Op. cit., 236.

¹⁷Op. cit., 231.

¹⁸Data on the actual balance-of-trade during this period are presented by M. Priestley, "Anglo-French Trade and the Unfavorable Balance Controversy, 1660-1685," Economic History Review (1951), IV, 1, 37-52. For a further examination of the figures see the article of Davis (note 3). This article also provides several quotes to support my contention that political considerations were primary (pp. 39, 41, 45, 52) and the doctrinal point that employment was always of equal importance (p. 38). The employment aspect has also been stressed by several scholars, such as Charles Wilson and W. D. Grampp.

¹⁹Seaward, op. cit., 339. The lack of servicability of Mun on this issue is suggested by the fact that when England's Treasure was reprinted in 1696 the title was changed to The Benefits and Advantages of the East-India Trade.

²⁰C. Davenant, Works, ed. Whitworth (1771), v, 362.

²¹"Fortrey's Tract has been referred to over and over again, especially during the discussions on the commercial treaty with France in 1673," McCulloch, op. cit., ix.

²²As quoted by John Lough, op. cit., 180.

²³Money Answers All Things (London, 1734). J. F. Scott, The Mathematical Work of John Wallis (New York: Chelsea, 1981). John Dryden, Selected Works, ed. W. Frost (New York: Holt, Rinehart, Winston, 1967), 1-66.

²⁴The War of the Grand Alliance (League of Augsburg), 1689-1697; The War of the Spanish Succession, 1702-1713; The War of the Austrian Succession, 1740-1748; The Seven Year's War (French and Indian War), 1756-1763; The American War of Independence, 1776-1783; The French Revolutionary War, 1793-1801; The Napoleonic Wars, 1803-1815. Each country also fought other battles with less direct involvement of the other.

²⁵G. S. Holmes, "Gregory King and the Social Structure of Pre-Industrial England," Transactions of the Royal Historical Society, 5th series, XXVII (1977).

²⁶C. McLeod, "Henry Martin and the Considerations on the East India Trade," Bulletin of the Institute of Historical Research (Nov. 1983), 222-229. The example of John Locke is perhaps most instructive in this regard. While the thrust of Locke's arguments suggested free-trade, he settled for a strongly zero-sum, power-based, view of Foreign Trade.

²⁷The Works of John Locke, V (London 1823), 140.

²⁸John Lough, ed., Locke's Travels in France (London, Garland, 1984), xPiii.

²⁹E. A. J. Johnson, Predecessors of Adam Smith (New York, 1937). M. Beer, Early British Economics (London: Unwin, 1938).

³⁰B. Supple, Commercial Crisis and Change in England (Cambridge 1959).

³¹R. Davis (1954), op. cit. (note 3).

³²P. G. M. Dickson, The Financial Revolution in England (London: MacMillan, 1967).

³³J. Gee, The Trade and Navigation of Great Britain Considered (London 1733)., M. Postlethwayt, Great Britain's True System (London: 1757). For general statements and analysis of anti-French sentiments, see Jeremy Black, Natural and Necessary Enemies (London: Duckworth, 1986).

³⁴It should be clear that the viewpoint of this essay is opposed to Joyce Appleby, Economic Thought and Ideology in Seventeenth Century England (Princeton, 1978), in interpreting the balance-of-trade. This, otherwise excellent, book repeatedly stresses the Midas fallacy, e.g., pp. 175, 196 and takes political motivation to be subsidiary. There are several complementary points of contact with D. C. Coleman, "Mercantilism Revisited," Historical Journal (1980), 23, 4, 773-791 and R. C. Wiles, "The Development of Mercantilist Economic Thought," in S. Todd Lowry, ed., Pre-Classical Economic Thought (Kluwer:

Boston, 1987), 147-173. Coleman, for example, notes how Joseph Schumpeter (uncharacteristically) minimizes political influences in dismissing issues of motivation and character while Wiles gives some much needed emphasis to the growth-oriented views of this age.

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