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***Pre-Smithian concepts of Mercantilism:
Quesnay, Mirabeau and Turgot***

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Abstract

Since mercantilism as an idea has been formulated and re-formulated, it seems necessary to examine the earliest constructions—i.e., Quesnay's *système de marchands*, Mirabeau's *système mercantile* and Turgot's *système de monopole*—which have not been analysed as extensively as Smith's *mercantile system*. We demonstrate that these systems differ greatly in all three cases, as do the intellectual references associated with mercantilism and the issue that gives rise to the appearance of the mercantile system. There is greater similarity in the principles of these systems, although the differences are so relevant that a synthesis of the three cases would be practically impossible.

Keywords: Mercantilism, Enlightenment, History of economic thought

Résumé

Comme le mercantilisme a été formulé et reformulé, il semble nécessaire d'examiner les premières constructions, c'est-à-dire le *système de marchands* de Quesnay, le *système mercantile* de Mirabeau et le *système de monopole* de Turgot, qui n'ont pas fait l'objet d'une analyse aussi approfondie que les études sur le *système mercantile* de Adam Smith. Nous démontrons que ces systèmes diffèrent considérablement en ce qui concerne les références intellectuelles associées au mercantilisme et l'apparition du mercantilisme. Il y a quelque similitude sur les principes de ces systèmes, bien que les différences soient si importants qu'une synthèse des trois cas serait très discutable.

Mots clés : mercantilisme, lumières, histoire de la pensée économique

1. Introduction

Many historians, economists, and social theorists have summarised a wide range of essays and writings on economic affairs from the early seventeenth century until the mid-eighteenth century under the generic term « mercantilism » (Schmoller, 1884; Viner, 1948; Heckscher, 1931; Magnusson, 1994).¹ What were the concepts on which everyone agreed at that time? Scholars have accepted the description of a sufficiently homogeneous body of doctrine with three organising principles: (i) the identification of wealth with precious metals, (ii) the notion that trade was a zero-sum game, and (iii) the favourable balance of trade doctrine about attracting foreign precious metals. More recent literature also provides accounts of the issues tackled by mercantilism: domestic versus foreign trade, particular and general interest, trade and monopoly, and the doctrines of the balance of trade (Magnusson, 2004; Delmas, 2016). However, scholars have not agreed about the implications of mercantilism, because the debate has rarely been isolated from the discussion on liberty versus protectionism. Supporters of state intervention described it « as constitutive of modernity, whereas liberals saw it as a necessary transitional phase on the path to modernity » (Pincus, 2012, p. 4).

This consensus view of mercantilism is not so different from the description of Adam Smith's attack on the « mercantile system ». Adam Smith constructed the *mercantile system* « on an erroneous and confused identification of wealth with money » (Magnusson, 1994: i).² However, the haziness of concepts such as « mercantile system » and « mercantile policy » to describe a particular body of doctrine were originally invented by mid-eighteenth-century authors. Recent scholars have focused on these pre-Smithian terms. The terms were likely to have been used among advocates of the *free trade nation* to describe Colbert's policy—a system of state intervention and industrial policies—and the link between the terms « trade » and « science » can be found in the writings of authors from the 17th and the first half of the 18th century (Delmas, 2016). However, scholars have accepted that the term « système mercantile » first appeared in *Philosophie Rurale* (1763), in which the Marquis de Mirabeau critiques the idea that a nation may profit from an importation of money (Magnusson 2004). Spector (2003) adds two new cases. The « système des commerçants » appeared in Quesnay's unpublished article « Hommes » (1757), and Turgot might have used « système de monopole » in an unpublished book on the consequences of war. Finally, Demals (2016) adds the term « science of commerce », which was used by Josiah Tucker in *A brief essay on the advantages and disadvantages which respectively attend France and Great Britain, with regard to trade* (1753). In spite of the variety of pre-Smithian concepts created to describe the particular body of doctrine referred to nowadays as mercantilism, little research has focused on the authors themselves, and no comparative studies have been conducted. Only, Quesnay's *système de marchands* has been analysed in any depth (Steiner 1997; 1998).

Since mercantilism as an idea has been formulated and re-formulated over the past 250 years, applying different ideological or methodological perspectives, it seems necessary to examine the earliest constructions, all of which occurred in the 18th century and which have not been analysed as extensively as Smith's *mercantile system*. The aim of this paper is to analyse these early approaches to what we know today as mercantilism, and there will be one section devoted to each one of them: Quesnay's *système de marchands*, Mirabeau's *système mercantile* and Turgot's *système de monopole*. The aim is to demonstrate that these three approaches are different and, in some cases, one might even say far removed from what we

¹ What is more, Pincus (2012) refers to a belief of historians on the ubiquity of mercantilist economic regulation in early modern Europe and the Atlantic world.

² On Smith's *mercantile system* see for example Winch (1996), Evensky (2005), and Magnusson, 1994; chapter 1.

understand today by mercantilism. The contextual factors that gave rise the creation of these systems differ greatly in all three cases, as do the intellectual references associated with mercantilism and the issue that gives rise to the appearance of the mercantile system. There is greater similarity in the principles of these systems, although the differences are so relevant that a synthesis of the three cases would be practically impossible.

2. Quesnay's *système des commerçants*

From his earliest writings on economics, Quesnay raises the notion of competing economic systems—i.e., *le Nation agricole* and *la république commerçante*—understood as opposing alternative ways of understanding economic reality. This was a recurring theme in his texts and, indeed, became even more virulent over time (Steiner, 1998). Quesnay's first reference to the « système des commerçants » can be found in an article written for the *Encyclopédie* compiled by *Diderot* and *d'Alembert* that was never actually published in his lifetime. The article « Hommes » (1757) deals primarily with the causes of population growth or decline. In this article, he clearly sets out the determining factors of depopulation: « La guerre, le célibat, la non-valeur des denrées, le défaut de Richesses pour la culture des Terres, et la misère du bas peuple, détruisent la propagation » (Quesnay, 1757, p. 264). His treatment of these elements is every uneven, since Quesnay only deals in detail with products without value and the absence of wealth caused by agricultural sub-production. His starting point when tackling these economic explanations of depopulation is war.

The defeats suffered by France during the Seven Years' War unleashed an exacerbated outpouring of patriotism, and attempts were made to restore the nation's greatness by increasing its economic resources. In his popular work *L'ami des hommes* (1757), the Marquis de Mirabeau called on landowners to return to their estates and take an active part in their management. In *Les Intérêts de la France mal entendus* (1756), Pierre Ange Goudar called on the government to provide incentives for the nobility to return to the countryside. Gournay's circle also drew inspiration from the enemy's economic practices in order to take up arms against them once more, and to this end, dozens of translations were produced of English-language tomes—e.g., *Remarques sur les avantages et les desavantages de la France et de la Grande* (1754) by Louis-Joseph Plumard de Dangeul or *Questions importants sur le commerce* (1755) by Josiah Tucker. The aim was to demand an urgent reform of the kingdom, contrasting the superficial civilization of France with the solid economic civilization of England (Skornicki, 2006). For Quesnay, the key to the military imbalance between France and Britain was an erroneous consideration of the origin of a State's power. « C'est en effet dans les Revenus, et non dans la masse pécuniaire, que réside la puissance des Etats » (Quesnay, 1757, p. 265). To defend his thesis, Quesnay takes certain chapters from *Political Arithmetick*, in which William Petty argues that the military superiority of England over France does not stem from the total volumes of funds available (higher in France in absolute terms) but from a greater income in relative terms.³ This is where Quesnay begins his critique of the *système des commerçants*. There is no need to seek arguments in the use of trade policies, specifically Cromwell's Navigation Acts, but rather in the means of increasing production. Therefore, the construction of this system

³ *Political Arithmetick* was partially translated into French and published in two articles : « Qu'un petit pays & un peuple peu nombreux peut par sa situation, son commerce & sa politique égale richesse & en forces, un pays plus grand & un peuple plus nombreux: & que les commodités pour les embarquements & les voitures par eau sont ce qui y contribue le plus efficacement » (*Journal Economique*, June, 1957, p. 157-179), and « Que le peuple & les Etats du Roi de l'Angleterre sont naturellement à peu près aussi considérables pour la richesse et la force, que ceux de la France » (*Journal Economique*, July, 1957, p. 152-175).

according to Quesnay takes place within the debate on economic and military conflict between two major economic powers.

2.1. *How to win the war*

Quesnay believes France must have a strong navy in order to redress the balance of power with other sea-faring nations. He agrees with the advocates of trade policies that the freedom to export favours national wealth but does not agree with the need for maritime transport to use domestic vessels. This restriction is detrimental to trade and to national wealth. Any obstacle to imports or exports—i.e., limitations on the arrival of foreign vessels or the purchase of foreign goods—will hinder the sale of domestic products abroad. He advocates moving away from the idea of *active trade* that views exchange as a monetary gain, towards the idea of *reciprocal trade* where goods are exchanged for goods (Quesnay, 1757, p. 269). This would guarantee the profits of exchange, allowing trade to expand to all nations and bringing down the barriers erected by trade policies (Quesnay, 1757, p. 269).

For Quesnay, the result of these trade policies is *destructive trade*, which « faire tomber les denrées de la nation en non-valeur, » driving up prices on foreign products and damaging trade in general. Therefore, these policies offer no advantage to either agricultural or livestock farming. The success of trade depends on « la liberté, et de lois favorable au bien commun. Car ce sont les gains réciproques des marchands, qui font prospérer le commerce » (Quesnay, 1757, p. 271). Quesnay understands freedom as the elimination of obstacles to trade and takes common good to entail gain for all economic sectors.⁴

Who are these advocates of trade policies? Quesnay explicitly points out that they are all French authors who write about trade.

La plus part de nos auteurs qui traitent du commerce, et surtout du commerce des denrées de notre cru, croient, que pour favoriser notre navigation, l'exportation de nos denrées par mer doit être réservée exclusivement à la nation; mais ce monopole n'a pu être suggéré que par un intérêt particulier des commerçants. (Quesnay, 1757, p. 264)

In short, the country's military prosperity comes from rich agriculture and trade that increase the income of proprietors, both of whom contribute the funds required to pay a good army (Quesnay, 1757, p. 271). Population growth comes not from trade policies that limit international trade, but « par la facilité, et par une entière liberté ». The government should facilitate exports to ensure that abundance does bring prices down to the point of *non-valeur*. Sales and *bon prix* will generate the necessary abundance for population growth, because workers will have an income for their own subsistence, and because corporate profits are guaranteed (Quesnay, 1757, p. 272-3). However, beyond these arguments Quesnay considers necessary to win the battle for public opinion.

2.1. *The battle for public opinion*

Quesnay criticised a form of knowledge that ignores the natural laws, and which places excessive importance on currency or the profits obtained by merchants through international trade (Steiner, 1998). Throughout the text, we find Quesnay's need to tackle the discourses that have distorted popular thinking and deceived politicians. Firstly, Quesnay introduces the issue of private and public interests to highlight the partisan

⁴ Quesnay draws a comparison between Colbert and Sully, accusing the former of quashing the nation's revenues when he brought down the price of grain to encourage the manufacture of luxury goods. Eventually he sustained wars through loans and treaties (Quesnay, 1757, p. 296).

motivation behind the discourse of merchants. These trade policies are based on ideas developed for the benefit of trade. These national merchants are motivated purely by their drive to amass great fortunes and so they wish to avoid competition posed by foreign merchants.

Ce sont là les vues de nos négociants, qui n'aspirent qu'à de grosses fortunes, et qui redoutent la concurrence de l'étranger, dans l'achat des denrées de la nation. Leurs compatriotes sont toujours la victime de leurs représentations captieuses et de leur intérêt particulier. Ils ne tendent qu'à faire baisser le prix des denrées dans leur pays. Le bon marché dans l'achat (disent-ils) est le premier gain et il facilite la vente chez les étrangers, et ils nous persuadent que c'est le vrai moyen d'augmenter le commerce. (Quesnay, 1757, p. 270)

Driving down costs in a bid to be more competitive effectively kills domestic production. When the price drops below « non-valeur », nominal wages fall, even if real wages remain consistent. But profits, the income of proprietors and tax revenues also decline: « Or si vous comparés ces effets destructif avec l'abondance chimérique que l'on vous promet, vous aperçevrés aisément que le système des commerçants n'a pas pour objet le bien publique. » (Quesnay, 1757, p. 302)

Secondly, Quesnay examines competition between economic systems — referred to in later writings as the *Nation agricole* and *la république commerçante* (Quesnay, 1766, p. 40). One of the strategies employed by Quesnay involves comparing and contrasting pairings of concepts: trade/traffic, commerce de cru/commerce de la concurrence, etc. (Steiner, 1997, p. 710). For example, Quesnay emphasises the difference between *commercial wealth*, formed by production, and *pecuniary wealth*, as the nominal value of production, to explain that a country is poor because it does not produce or because the value of its production is low. The purpose of this distinction is to move beyond the popular belief that links wealth with precious metals. Currency is only a means of exchange and its distribution among nations should be based on mutual commercial benefits.

L'abondance d'argent retenue dans un Etat n'y seroit donc point une richesse profitable. Aussi toutes les nations font-elles valoir réciproquement leur argent les unes par les autres, à la faveur du commerce. En sorte que la masse générale d'argent monnaie est distribuée entre les nations commerçantes dans des proportions relatives aux avantages de leur commerce réciproque, et non pas dans des proportions relatives aux vues de publicains, qui pensent qu'elles ne doivent tendre mutuellement par leur commerce qu'à s'enlever l'argent les unes des autres. (Quesnay, 1757, p. 275)

He considers that this *doctrine of active trade* should not reach the man of State because it is grounded in the understanding of international trade as internal trade « où le marchand ne trafique que pour convertir sa marchandise en argent » (Quesnay, 1757, p. 291). International trade is an exchange of goods so that that the money obtained from exports must allow demand to develop to perpetuate domestic production. Money can never be the object of trade, and when it is understood in this way, it becomes a « commerce factice » that enriches one at the expense of harming another. The only trade that should procure money is reciprocal trade, which favours all nations. It will be beneficial for a nation to sell its products at a high price and buy cheaply. These merchants are the ones who favour the nation and who are « dignes de la considération des citoïens, et qui mériteront qu'on leur décerne des honneurs » (Quesnay, 1757, p. 303).⁵

In this *système des commerçants*, supported by French authors and merchants, Quesnay include *publicans*, a term often used in his texts to refer to senior government officials

⁵ His animosity towards merchants and their influence on economic policy decisions increased over the years, especially in his writings of 1766-67 (Steiner, 1997, p. 710).

opposed to policy recommendations. In one of Quesnay's letters, Mirabeau also mentions them when Turgot arrives at the ministry.

Je n'étais plus jeune déjà, quand on présentait encore au souverain les accapareurs de l'impôt comme les colonnes de l'Etat, qu'on s'avouait, travailleur de provinces en finances', qu'on vantait au gouvernement les corvées comme propres surtout à accoutumer les peuples à l'obéissance; et je n'étais pas vieux encore, que les publicains ont tremblé dans leur repaire d'un frémissement qui ne les quittera qu'au terme prochain de leur pouvoir ; que leur fatale science, quoique trop exercée encore, a néanmoins été prescrite dans les opinions; que l'ordre de supprimer les corvées a été prononcé. (Mirabeau, 1775, p. 126)

According to Steiner (1997), Quesnay sets up a debate between two competing systems. As a system to win that battle for public opinion, Quesnay adds to the debate on private and public interests the creation of concepts that bring together the economic ideas of both theoretical systems around two subjects: international trade and currency. But the origin of this comparison does not lie with economic issues but rather with matters of war. For Quesnay, the key to the military imbalance between France and Britain was an erroneous consideration regarding the origin of a State's power, originating in the *système des commerçants*. To deal with this system, which was leading France into military decline and which encompassed contemporary French authors and members of the government who were close to power, Quesnay seeks support from authors such as William Petty.

3. Mirabeau's *système mercantile*

In *L'ami des hommes ou traite de la population* (1759), Mirabeau had criticised Colbert for sacrificing the interests of agriculture. This was a frequent criticism from the late 17th century onwards, although there are no references to a body of knowledge that ultimately fed into economic policy measures (Delmas, 2016). Mirabeau goes one step further in *Philosophie rurale* (1763), grouping together the set of ideas that prop up Colbertism under the term *système mercantile*.

Mirabeau devotes chapter 10 of *Philosophie rurale* (1763) to industrial activity. In this chapter, he makes reference to the « mercantile epidemic », meaning mercantile policies aimed at selling everything abroad but not buying anything, geared towards the predilection for manufacturing luxury goods and the destructive production of such manufacture. The bulk of the chapter is devoted to the « abuses » of industry, certain principles that inspired the policies applied in the 17th century and which resulted in a « precarious » industry, as the opposite of prosperity.⁶

C'est pourtant fur ces principes qu'on a prétendus, dans le siècle passé, fonder l'industrie d'une grande & florissante Nation agricole. On considéra dans l'industrie uniquement l'avantage d'attirer l'argent étranger dans le Royaume, & l'on intercepta les véritables canaux pour accroître ce fonds postiche & stérile, qui n'est fourni que par une rétribution fondée fur le bas prix des productions du fonds productif. En effet, occupé seulement de faire prévaloir la main d'œuvre du pays dans le marché universel des fantaisies de l'Europe, on s'appliqua à tenir à bas prix les denrées de premier besoin, afin que la subsistance des Ouvriers, plus facile, mît leurs ouvrages au rabais. (Mirabeau, 1763, p. 302).

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Mirabeau does not believe these policies have disappeared. On the contrary, these measures are the dominant force in his time: « vous retombez dans les brouillards, qui, dans ces derniers tems ont offusqué toute la politique moderne, & tout jeté dans un dédale de contradictions » (Mirabeau, 1763, p. 330).

Although he does draw comparisons between certain terms in the manner of Quesnay, his methodology is based on compiling long quotations to summarise, in his view, the principles of the mercantile system.⁷ Firstly, Mirabeau summarises the principles of the *système mercantile* with a fictitious example:

Si, au contraire, je fais ce raisonnement-ci : Voici une Nation qui m'est confiée, je veux la rendre riche & puissante. Il est notoire que le commerce fait la richesse des Nations ; par conséquent je veux la rendre commerçante. Le profit d'un commerçant est de vendre, d'où s'enfuit qu'il faut que mon peuple soit vendeur. Ce qu'il est le plus à propos de vendre, est ce que l'on vend le plus cher. Cet avantage se trouve dans les ouvrages d'industrie, & toujours plus grand en raison de ce qu'ils sont plus précieux. Je dois donc établir chez moi l'industrie ; & la plus recherchée sera la meilleure. Ce raisonnement, faux dans tous ses principes & dans toutes ses conséquences, me rejetterait (Mirabeau, 1763, p. 301).

Mirabeau does not attack these principles because of the absence of scientific rigour. That is to say, he does not believe that mercantilist policies lack « theory ». In fact, he frequently mentions « reasoning » and even states that this *système mercantile* undoubtedly contains a body of well-defined principles. Mirabeau believes that there are three principles, all of which are erroneous, and which are perfectly interlinked. The first principle posits that a nation's wealth comes from trade; the second argues that the benefit obtained by a merchant should guide economic specialisation toward trade; and the third establishes that higher value manufactured goods bestow a competitive advantage on an economy.

He had already dealt with the first question in a previous chapter. Mirabeau explained that the wealth of nations does not come from trade because the benefits reaped by the merchant do not benefit the nation.

Plus les Nations se disputent l'exercice du commerce, & confondent *la rétribution du commerçant avec le profit national du commerce*, plus, en conséquence, elles gênent & diminuent le commerce & ses autres avantages, plus elles s'opposent à la concurrence des acheteurs, & plus elles préjudicient à la vente qui est le principe actif des richesses, comme la culture est celui des producteurs, quand elle est animée par la sûreté & par le succès de la vente.

Le commerce d'exploitation de marchandises de main d'œuvre, ne rapporte rien à la Nation au-delà du prix des matières premières, si ce n'est le paiement de la rétribution de l'Ouvrier, de l'Entrepreneur & du Commerçant ; & la Nation ne profite de ce commerce mercantile, que par la vente des denrées que ces Ouvriers achètent dans le pays, pour leur consommation & pour la fabrication de leurs ouvrages. (Mirabeau, 1763, p. 52).

Mirabeau's response to the other principles is divided into four issues.

1 °. je serais un peuple commerçant, c'est-à-dire, une légion errante, servile, qui a ses richesses dispersées, partout personnellement libre, chez elle sujette en apparence & libre au fonds ; un peuple, en un mot, qui ne peut jamais être Nation. 2°. Une légion d'acheteurs au dehors, puisque le fonds négligé chez moi rendrait si peu de chose ; & de vendeurs chez moi : d'où il s'ensuit, que leurs profits seraient aux dépens du peu qui me reste. 3°. Donc plus ils vendraient, plus le dommage serait grand pour moi. 4°. Mes ressorts, pour encourager & soutenir fon industrie, rompraient à chaque instant dans mes mains : car les Nations plus soigneuses de leur territoire, & par conséquent plus en état de soudoyer l'industrie, me l'enlèveront sans grand effort. (Mirabeau, 1763, pp. 301-2).

⁷ Mirabeau's stated that his reason for not mentioning any specific author was as follows: « Si quelquefois, si trop souvent, peut-être, j'emploie le ton de l'anathème, contre les erreurs que je combats, celui qui m'a donné la voix m'est témoin que je n'insultai jamais à l'opinion de personne en particulier » (Mirabeau, 1763: 323).

All the arguments set out by Mirabeau aim to demonstrate that the principles of the *système mercantile* do not see the ultimate consequences of the reasoning behind them: (i) policies that seek to increase the benefits of trade eventually bring about the decline of trade itself and production, which is the true source of wealth, (ii) specialisation in trade ultimately eliminates civic virtues, and (iii) higher-value manufacturing is eventually relocated.

The second « mercantilist citation » developed by Mirabeau explains the advantages of the balance of trade.

Nous qui avons voulu nous ériger en Nation commerçante, nous sommes encore infatués de ces maximes ridicules ; & nous ne connaissons encore les avantages du commerce extérieur, que par ce que nous appelions *balance du commerce*; & voilà où vous en êtes encore vous-même actuellement. (Mirabeau, 1763, p. 324)

Mirabeau argues that this balance of trade doctrine contains two hypotheses. Firstly, it considers that money equals wealth and, secondly, that the motivation of participants in the exchange is to gain wealth (Mirabeau, 1763, pp. 321-322). By virtue of these ideas, a favourable balance of trade based on luxury goods would be the fastest and most beneficial way to get money from abroad. Part of the benefit of foreign exchange will be the *prix d'opinion* and it plays a similar role to that of the net product, in other words, revenue that flows through the nation as a result of the spending of merchants.

Years later, in an article published in *Ephemerides* (1768), Mirabeau once again addresses the issue of mercantile policy using similar arguments, although this time the *système mercantile* is linked primarily with the erroneous consideration of money as wealth or the determinant thereof.

Heureux du moins dans notre désastre, si cette génération, si la nôtre qui lui a succédé, eussent vu & reconnu dans ce fatal incendie la gerbe du feu d'artifice qui les avait éblouis, le terme & le résultat de la politique mercantile & exclusive. Heureux si l'on eut senti enfin, que l'argent n'est ni principe de richesse, ni richesse, que comme gage des échanges, & dans les mains de ceux qui le cédant pour acquitter leurs dépenses ont d'autres richesses à offrir à l'échange pour ravoire l'argent ; que vouloir attirer l'argent par tout autre moyen, c'est se charger d'une redevance onéreuse, qui accélère la ruine, & qui force au manque de soi qui nous sépare de la Société ; que vouloir retenir l'argent dans son pays, est la même chose que désirer ne rien acheter, ce qui suppose ne rien vendre c'est à-dire se bannir du cercle bienfaisant de la nature, qui ne va que par production, consommation & reproduction ; aspirer à la léthargie enfin, & à la mort. (Mirabeau, 1768, pp. 59-60)

Now Mirabeau focuses on the importance placed by this « exclusive mercantile policy » on money when the true exchange is real, in other words between goods; money simply facilitates the exchange. These policies, which seek to prevent imports, ultimately obstruct international sales.

In short, Mirabeau constructs discourses that group the principles of the *système mercantile*: a nation's wealth comes from trade; the benefit obtained by the merchant guides specialisation toward the commercial sector; higher-value manufactured goods give an economy its competitive advantage; the doctrine of the favourable balance of trade; and monetary exchange. This *système mercantile* was the foundation of Colbertism, and was still the dominant system in 18th-century France.

3. Turgot's *système de monopole*

At the age of 32, Turgot published his first text in France, a translation of *Reflections on the expediency of a law for the naturalization of foreign Protestants : in two parts* (1751-52) by Josiah Tucker. This British author enjoyed a certain degree of renown in France for his work *A brief essay on the advantages and disadvantages which respectively attend France and Great Britain, with regard to trade* (1750-53).⁸ The circulation of Tucker's writings in France was due to the stimulus provided by Vincent de Gournay, who created a hive of translation activity.⁹ According to the literature on Tucker's economic thought, his texts advocated greater freedom in specific areas, although he always assigned the government an active role (Shelton, 1981: 50). Therefore, the approach taken by Tucker ties in very well with the « libéralisme égalitaire » promoted by Gournay's circle (Meyssonnier, 1993).

In his *Essay*, Tucker uses the term « science of commerce » to refer to *An Essay on the Cause of the Decline of the Foreign Trade* (1744) by Matthew Decker.¹⁰ This is not a criticism of a group of authors. Tucker uses this reference to draw a distinction between these kinds of more recent writings and those of 16th-century authors who had written about trade in England:

But, though I acknowledge with pleasure the Introduction I have received in other parts of the Science of Commerce, I cannot follow him in this; and must still flick to the maxims of all the former writers on Trade, till I can see more reason to alter my opinion. (Tucker, 1753, p. 153)

The association of the words « trade » and « science » can be found in the writings of authors from the 17th century and the first half of the 18th century. Delmas (2016) refers to the use of the term « science of trade and commerce » by Edward Hatton in his *A Mathematical Manual: Or, Delightful Associate* (1728), and to Child, who spoke of the « art or science of merchandizing ». William Pulteney also used the expression « science of trade » in his *Observations upon the laws of excise* (1733). However, these terms were not linked to a particular doctrine, system or association of ideas. Yet, Tucker reflects consistency in a group of authors, making it possible to group them around a single term.

As to the Second, it must be indeed considered that Merchants themselves are very often divided in their sentiments concerning trade. Sir Josiah Child, Mr. Gee, Mr. Gary of Bristol and almost all Commercial Writers, have long ago taken notice of this difference opinions. (Tucker, 1753, p. v)

Due to the distinction drawn between domestic and foreign trade, these *Commercial Writers* focused on the balance of trade and on the circulation of gold and silver.

And in the exchange of commodities if one nation pays the other a mity of *gold* or *silver* over and above its property of other kinds, this is called a balance *against* that Nation in *favour* of the other. *And the Science of gainful Commerce principally consists in the bringing this single Point to bear* (Tucker, 1753, p. ii)

These ideas were known to Turgot, whose library contained a copy of *A brief essay on the advantages and disadvantages which respectively attend France and Great Britain, with regard to trade* (1750-53) by Tucker. Turgot viewed Tucker as a heterodox author in contrast to the *système*

⁸ *Remarques sur les avantages et les désavantages de la France et de la Gr. Bretagne, par rapport au commerce* (1754) by Louis-Joseph Plumard de Dangeul largely paraphrased Josiah Tucker's *Essay*. For example, Plumard de Dangeul was constantly present in Quesnay's writing and was quoted in his article *Fermier* (Quesnay, 1756).

⁹ Some years later, Turgot translated another essay by Tucker, *The Case of Going to War: For the Sake of Procuring, Enlarging, or Securing of Trade* (1763). However, this translation was never published and it is still lost today.

¹⁰ This book was translated by another member of Gournay's circle, Jean-Paul de Gua de Malves, under the title *Essai sur les causes du déclin du commerce étranger de la Grande-Bretagne* (1757).

de monopole et d'exclusion that dominated economic thought in England. However, it was not until the 1770s that Turgot began to write about the mercantile system; specifically the year 1770 itself, when he decided to write to Tucker.

The main reason for the letter was to send a copy of *Réflexions sur la formation et la distribution des richesses* (1766) to an author with whom he shared, according to Turgot, the « principes sur la liberté et [...] les principaux objets de l'économie politique » (Turgot, 1770, p. 802). These principles on freedom refer to Turgot's idea of « natural freedom » or free choice of ends. In the 1750s, Turgot gradually developed a link between freedom, education and tolerance, leading him to argue that the Prince, due to his incompetence in matters of religion, should refrain from any intervention in this matter. This idea of a ruler's incompetence would then be extended to the political economy, reinforced by an original theory of knowledge, to develop his more general principle of natural freedom. Hence, Turgot states that, in matters of trade, as in matters of religion, the man of State possesses only general knowledge, while individuals have local knowledge which allows people to reason (Turgot, 1759, p. 605). This is why Turgot continued to argue, twenty years later, the existence of a nexus between the three « monsters » that have ended millions of lives.

.... dans une nation qui jouit de la liberté de la presse, vous soyez presque le seul auteur qui ait connu et senti les avantages de la liberté du commerce, et qui n'ayez pas été séduit par la puéride et sanguinaire illusion d'un prétendu commerce exclusif. Puissent les efforts des politiques éclairés et humains détruire cette abominable idole, qui reste encore après la manie des conquêtes, et l'intolérance religieuse, dont le monde commence à se détromper ! Que de millions d'hommes ont été immolés à ces trois monstres ! (Turgot, 1770, p. 802)

Is this debate on freedom, Turgot reflects on the existence of authors grouped under a single common denominator. Specifically, he believes that British authors make up this group that fears the « fantôme de la jalousie du commerce », and which is looking at other nations' wealth with envy. This expression leads us inevitably to look to David Hume, the last side of this triangle.¹¹ Tucker's *Reflexions* was a pamphlet against going to war for the sake of trade, and, through Hume, Turgot asked Tucker certain questions about economic matters. Hume sent the reply to Turgot along with other writings by Tucker that « je [Turgot] jamais eu reçu » (Turgot, 1770, p. 802).

David Hume wrote a specific essay entitled *Of the Jealousy of Trade* (1759), which was praised by Turgot. In fact, according to Du Pont de Nemours, the text had been translated by Turgot (Schelle, 1913-23, I, p. 27). Hume thought that commerce ought to be a bond of union between men and nations. Going against the erroneous, detrimental and dangerous view of foreign trade, Hume denounces the balance of trade doctrine and argues that a wealthy and growing neighbour is a benefit rather than a threat to a nation's prosperity.¹² Turgot does not provide any explanation of his idea of "jalousie du commerce » and instead simply expects that historical events will ultimately quash this envy, something scientific writings have been unable to achieve. The independence of the colonies eliminated exclusive trade, giving way to reciprocal exchange that was more beneficial for the population and more peaceful for the nation.

¹¹ Montesquieu also used the word « jalousie » several times in *The Spirit of Laws* in reference to commercial animosity and envy. See Spector 2013.

¹² Walraevens (2017) presented Hume's ideas of jealousy of trade in two subsequent essays, *Of the Balance of Trade* (published in 1752) and, *Of the Jealousy of Trade* (published in late 1759, early 1760). In the first text, jealousy of trade refers to the famous attack on the balance of trade doctrine. The second «jealousy» deals with neighbouring nations' prosperity, which is seen as a threat and harmful. Turgot's reference seems to be more closely associated with the first case, with closer links to colonial trade than to the commercial relationship between two economic powers.

Je parle de la séparation vos colonies avec la métropole, qui sera bientôt suivie de celle de l'Amérique d'avec l'Europe. C'est alors que la découverte de cette partie monde nous deviendra véritablement utile. C'est alors quelle nos jouissances bien plus abondamment que quand nous les achetions des flots de sang. Les Anglais, les Français, les Espagnols, etc., useront du sucre, du café, de l'indigo, et vendront leurs denrées précisément comme les Suisses le font aujourd'hui ; et ils auront aussi comme le peuple suisse l'avantage que ce sucre ce café cet indigo ne serviront plus de aux intrigants pour précipiter leur nation dans des guerres ruineuses, et pour les accabler de taxes. (Turgot, 1770, p. 802)

Turgot seems close to the line taken by Tucker and Hume, since all three of them are opposed to commercial monopolies such as those of the East India Company. Hume decried the monopolies of the East India companies, obstructing communication, opposed the duties levied on foreign imports designed to encourage English manufactures, and ridiculed the folly of imperial wars driven by the 'jealousy of trade'. In addition, Turgot and Tucker are also convinced that colonies and metropolises alike will take advantage of independence from the empires. A few years later, Turgot writes again along the same lines.

In a letter to Richard Price in 1778, Turgot deals with the question of independence and the models of political organisation in the new states. In this text, he once again highlights the dominant economic doctrine among British authors, in this case adding another qualifier and a new exception:

J'en juge, par le système de monopole et d'exclusion qui règne chez tous vos écrivains politiques sur le commerce (excepte M Adam Smith et le doyen Tucker), système qui est le véritable principe de votre séparation d'avec vos colonies. (Turgot, 1778, p. 805)

The arguments are virtually identical. Turgot once again highlights their perplexity through the inability of British authors to reject this system, despite its freedom of the press and its scientific advancement. In this case, he offers a few conjectures to help define this system.

Je n'ai pas conçu comment une nation qui a cultivé avec tant de succès toutes les branches des sciences naturelles, a pu rester si fort au-dessous d'elle-même dans la science la plus intéressante de toutes, celle du bonheur public ; dans une science où la liberté de la presse, dont elle seule jouit, aurait dû lui donner sur toutes les autres nations de l'Europe un avantage prodigieux. Est-ce l'orgueil national qui vous a empêchés de mettre à profit cet avantage ? Est-ce parce que vous étiez un peu moins mal que les autres que vous avez tourné toutes vos spéculations à vous persuader que vous étiez bien ? Est-ce l'esprit de parti, et l'envie de se faire un appui des opinions populaires, qui a retardé vos progrès en portant vos politiques à traiter de vaine métaphysique toutes les spéculations qui tendent à établir des principes fixes sur les droits et les vrais intérêts des individus et des nations ? (Turgot, 1778, pp. 805-6)

Firstly, Turgot believes that this *système de monopole et d'exclusion* is a set of scientific ideas that are lagging behind the sciences linked to public welfare. Book IV of the *Wealth of Nations*, *On Systems of Political Economy*, might well have influenced Turgot in defining the frontiers of knowledge. In addition, the *système de monopole et d'exclusion* represented the *status quo*, and authors did not wish to run the risk of positing conclusions that might clash with public opinion.

Secondly, Turgot once again positions the principle of freedom as the central element that dismantles this *système de monopole et d'exclusion*. In this case, there is an explicit reference to the republican conception of freedom:

Comment se fait-il que vous soyez à peu près le premier parmi vos gens de lettres qui ayez donné des notions justes de la liberté, et qui ayez fait sentir la fausseté de cette notion, rebattue par presque tous les écrivains républicains, que la liberté consiste à n'être soumis qu'aux lois, comme si un homme opprimé par une loi injuste était libre ? (Turgot, 1770, p. 806)

For Turgot, « les hommes ne sont pas nés égaux » (Turgot, 1751, p. 242). His understanding of natural freedom differs from the republican idea that considers freedom and equality as inseparable notions—similarly, he categorically rejects the principle according to which interest is the only motivation that drives us to act to individuals. Turgot believes that the individual can acquire ideas through a process of trial and error, akin to a kind of social learning, fed not only by the natural environment but also by the multiplication of peer relations.

In short, Turgot's *système de monopole et d'exclusion* is based on three interconnected elements: exclusive trade, war, and the ruler's capacity for intervention. For Turgot, the idea of natural freedom demonstrates the ruler's inability in matters of trade, something that should serve to dismantle all the trade policies that sustain exclusive trade, forgetting therefore the option of military conflict. In Turgot's writings, currency or the source of wealth bear no relationship with this *système de monopole et d'exclusion* that is maintained by most British authors and which in other nations has already been replaced by more advanced scientific ideas.

Final Reflections

French writers from Boisguilbert onwards had referred to Colbert's policies, which « designated state support of manufactures but also aggressive trade policies in general and industrial tariffs in particular. According to the literature, the 'Colbert' and 'mercantile' systems were often used interchangeably » (Magnusson, 2004, p. 75). Although some authors of the time interpreted it along these same lines, the appearance of *mercantile systems* in the second half of the 18th century implies differentiating criticism of policies from a body of ideas, referred to as the « system » in most cases. This task involves searching for organisational principles, intellectual references and also policies. In the pre-Smithian cases analyses, the approaches taken are very different and, in some cases, one might even say far removed from what we understand today by mercantilism.

Firstly, the issue that gives rise to the appearance of the mercantile system is very different. For Quesnay, the origin of the military imbalance between France and Britain is the error that points to the *système des commerçants*; there is no need to look for arguments in the use of trade policies but rather in the means of increasing production. Mirabeau's *système mercantile* aims to systematise the ideas that gave rise to Colbertism, and his discussion is rooted in the disorders generated by these measures within industrial activity. In the case of Turgot, the *système de monopole et d'exclusion* emerges from the discussion on trade and military conflict between the metropolis and the colonies, and is nothing to do with the war between major economic powers.

The principles that make up these systems will also be different, although there are very frequent common places. For Quesnay, the principles of the *système des commerçants* are multiple but they are all linked to two concepts: active trade and pecuniary wealth. Mirabeau borrows some of these terms and adds to them the favourable balance of trade and monetary exchange. For Turgot, the *système de monopole et d'exclusion* is based on three interconnected elements: exclusive trade, war and the ruler's capacity for intervention. Pecuniary wealth or monetary exchange bear no relationship in this *système*, which is based on belief in the ruler's ability to intervene in economic affairs and the "fantôme de la jalousie du commerce ».

These systems, with their various qualifiers, appear to be related in various ways to the principles argued by these authors. Quesnay raises the notion of competing economic systems, *le Nation agricole* and *la république commerçante*, understood as opposing alternative ways of understanding economic reality. Quesnay is concerned to differentiate them, and

his original solution will be the creation of concepts that bring together the economic ideas from both theoretical systems. For Turgot (and also for Smith), these two systems are not competing because the mercantile system has already been discarded in a historical process of intellectual progress. However, only historical events will demonstrate, according to Turgot, the ability to banish the measures of these « écrivains politiques sur le commerce ».

Finally, let us look at the leading authors of the 'mercantile system' and the sources used. On the one hand, Quesnay turns to Petty to support his attack on the *système de marchands* when, like Mirabeau, he includes within the mercantile system contemporary French authors who write on trade and members of government close to power. Turgot, on the other hand, argues that virtually all British authors are mercantilists, an opinion he shares with Tucker, while in France this system has been superseded by a more advanced approach.

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