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The Political Economy of  
Empire in the Early  
Modern World

Sophus A. Reinert  
and  
Pernille Røge

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# The Political Economy of Empire in the Early Modern World

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Sophus A. Reinert

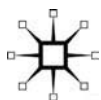
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# Foreword: Of Empire and Political Economy

*Richard Drayton*

In the formative period for political economy, Europeans mainly understood 'empire' as government and the activity of the state.<sup>1</sup> It was only in the application of arguments about the reason of state to territorial expansion, colonies, and trade that 'empire' came to mean overseas possessions and the spaces beyond Europe.<sup>2</sup> 'Political economy' itself emerged in discussions of how government, and in particular monarchs, should intervene in economic and social life. Xenophon's *Oeconomicus*, an ancient dialogue about the management of the household ('oikos' in Greek), was applied, as in Sully's *Oeconomies Royales* (1572–1593), to a discussion of how the resources and activity of the kingdom should be regulated. By 1615, the phrase itself first surfaces in Antoine de Montchrétien's *Traicté de l'Oeconomie Politique* (1615), where an argument dedicated to the king and queen urging 'the growth of [their] empire in power and glory' explained that 'all society, to speak generally, is composed of government and commerce'.<sup>3</sup>

To this extent, 'political economy' was always about 'empire'. In 1615 both categories referred to ideas about what was prudent for particular European polities, even to 'techniques of secretive statecraft'.<sup>4</sup> A century later, however, a very different idea of 'political economy' began to emerge which its advocates understood to be 'philosophical' or scientific, which was public, and which was based on a theory of the world. The physiocrats, to whom we owe the modern idea of economics, chose to call themselves 'economistes' because they wished to identify themselves with the regalist reform programme of the *arbitristas* of the era of Sully and Richelieu. But they believed, if we address them as a group, that economic life might be governed through laws that could be discovered in nature itself, applied in every nation, and which encompassed production, exchange, and consumption across the world. In Adam Smith's *Wealth of Nations* (1776), we may see the culminating expression of this idea of a global vision of economic life ordered in the universal interest.

Political economy, which had begun as a discussion of policy particular to European kingdoms, by Smith's age had become a theory of



international society for which the question of empire, in our sense of overseas possessions, was central. It is this shift, across the span of the early modern period, which is at the centre of *The Political Economy of Empire*. This collection of essays shows, first, how economic government became a trans-European 'science', both as ideas and texts which moved around Europe, and as doctrines and governmental practices indigenised in national contexts. Second, it explores how political economy became a global 'science', as it responded to problems thrown up by European overseas trade and conquest (by 'empire' in our modern sense of the word).

The success of this edited collection lies in how it weaves key strands of this transition of political economy from a kind of magic of monarchical statecraft to a rational and public ideology of cosmopolitan society. Hartman and Weststeijn (pp. 11–31) examine how Pieter de la Court (1618–1685), a figure closer to Montchrétien than Smith, received Italian and French ideas of economic *ragione di stato* and applied them to the Netherlands' commercial and imperial predicament. Røge's physiocrats (pp. 32–52), on the other hand, two generations later, saw France as a global nation to be remade after the humiliations of 1763 on the natural commercial conversation of temperate metropole and tropical colonies. Hopkins (pp. 53–75) shows how critical a theory of the colony within global exchange was for Adam Smith. Paquette (pp. 76–104) examines how Spanish and Portuguese intellectuals applied British political economy first to the reform of the Iberian overseas empires, and ultimately to programmes for sovereign states in Latin America. Reinert (pp. 105–28) offers a dazzling portrait of how economic ideas moved across Europe through translation, so constituting a common terrain of theory and practice. Parkinson (pp. 131–46) looks at the complex impact which the birth of a modern capital market in England had on making imperial Britain, at once providing the sinews of war and providing a means for European migrants to be integrated into the nation. Levenson (pp. 147–72) focuses on the problem of the surface of contact between emerging European ideas of market norms and the indigenous gift economy of colonial North America. Lees (pp. 173–91) provides a study of how the East India Company emerged as a classic 'military-fiscal' state. Finally, Mandelblatt (pp. 192–220), in an essay which echoes Røge's, maps how colonial economic realities, in the form of the constraints of the food provisioning networks of the French Atlantic, imposed themselves on political economic doctrine.

\* \* \*

**N**O other study before this has so explicitly and comparatively explored the interactions of the new political economy and

Europe's new overseas interests. It is startling to notice that historians of European economic ideas rarely address the impact of European expansion on them. For empire, in our modern sense, was clearly fundamental to the rise of the new science.

At the centre of these new doctrines, after all, lay the problem of how the European economy after 1492 was turned upside down by the dramatic increase in the supply of gold, silver, and trade. The new liquidity of exchange and its partner price inflation, the rise of new externally directed domestic economic interests, and the impact on European peace and security of overseas wealth and interests all propelled increasingly complex and interwoven debates about the regulation of the economy during the sixteenth and seventeenth centuries.<sup>5</sup>

These doctrines, furthermore, were needed by a European political order in which ultramarine wealth sustained the growth of the apparatus of the state and of its ambitions, whether 'absolutist' or republican, in Spain, France, Holland, and England. Economic life provided at once a critical resource for political power and a theatre in which an aggrandised royal, ecclesiastical, or republican power might seek to demonstrate its efficiency, even through the militant expression of theological commitment.

Connected to the new economies and politics of the sixteenth and seventeenth centuries arose permanent competition and war. It may be argued that three key waves of militarised European crises – one ca. 1580–1600s, another ca. 1618–1690s, and the third ca. 1740–1780s – propelled the three most important transitions in the rise of modern political economy. The conflicts of the 1580s and 1590s, which pitted the Counter-Reformation Habsburg 'monarchia catholica', that is to say the unified global state of Spain, Portugal and its dependencies in the Americas and Asia, against Holland, France, and England, engendered both a family of debates across Europe about 'commercial reason of state', the terrain of Sully's *Oeconomies Royales*, and theories of competitive colonial and commercial expansion. Out of the Thirty Years' War (1618–1648) came a new urgency for the raising of revenue and for state action in economic life represented in Cameralist projects for German princes to increase the wealth of their nation, and in a broader spectrum of doctrines about the government of trade, ranging from Colbertism on the one hand, and the mercantilist systems of England and France, to the flirtations with liberalising trade of Petty and Fourbonnais on the other. Lastly the combined impact of the connected War of the Austrian Succession, Seven Years' War, and War of the American Revolution, felt across Europe as a burden of public debt, gave prestige to a further wave of both dirigiste visions of Crown intervention in economic life, and to circulationist doctrines of liberalised trade.

Finally, this new global European economic and political order meant more exchange, and not just more competition, between states. Perhaps even under the pressure of competition, and attracted by the actual and potential riches of a wider world, the early modern period saw unprecedented intellectual mobility, collaboration, and convergence. This trans-European intellectual response to the world found expression in what historians, at different moments, refer to as the Scientific Revolution and the 'Republic of Letters'. Theories of government and the world were now open to international debate and reconsideration, with the soundness of a principle to be found, like a sound coin, in its accepted value when in circulation across national boundaries.<sup>6</sup> If we are increasingly learning how Newtonian science depended upon opportunities for observation and measurement opened up by European commerce and overseas empire, so reciprocally, economic thought, in the hands of Quesnay and Smith, modelled itself on natural philosophy, claiming laws founded upon nature, universally applicable and subject to universal criticism, free of mere custom and tradition. Political economy, in its mature form, was both a means and a product of cosmopolitan exchange, a new global kind of reason.

\* \* \*

Why was such a collection not previously attempted? One explanation lies, of course, in that way of seeing which assumed that European political economy might be understood through studying intra-European phenomena. But it is also true that the national focus of European historiography, where both the domestic and colonial histories of Spain, Holland, or England were examined in separate compartments, also inhibited a comparative perspective. *The Political Economy of Empire* points suggestively toward how new trans-European research programmes might open up new lines of sight into the shared intellectual, institutional, and imperial history of Europe. It might even be the foundation for a future masterwork on how, from Suarez to Keynes, overseas empires shaped economic thought.

## Notes

1. R. Koebner, *Empire* (Cambridge: Cambridge University Press, 1961); I. Hont, *Jealousy of Trade: International Competition and the Nation-State in Historical Perspective* (Cambridge, MA: Harvard University Press, 2005), 1–156.
2. D. Armitage, *The Ideological Origins of the British Empire* (Cambridge: Cambridge University Press, 2000); A. Pagden, *Lords of All the World: Ideologies of Empire in*

- Spain, Britain, and France c. 1500–1800* (New Haven, CT: Yale University Press, 1995).
3. 'Pour l'acrosissement de cet empire en puissance et en gloire' and 'Toute société...semble estre composée de gouvernement et de commerce', Antoine de Montchrétien, *Traicté de l'Oeconomie Politique* (Paris, 1615), f. 14 and f. 137, <http://gallica.bnf.fr/ark:/12148/btv1b8610768t/f14.image> (accessed 10 July 2012).
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  5. P. Vilar, *A History of Gold and Money, 1450–1920*, J. White (trans.) (New York: Verso, 1991); M. Grice Hutchinson, *The School of Salamanca and Early Economic Thought in Spain, 1177–1740* (London: Allen and Unwin, 1978).
  6. S. A. Reinert, *Translating Empire* (Cambridge, MA: Harvard University Press, 2011).

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# Introduction: The Political Economy of Empire

*Sophus A. Reinert and Pernille Røge*

‘Commerce’, the archbishop of Aix, de Boisgelin, wrote in a 1785 commentary on Montesquieu, ‘seems to have a propensity to create one single empire of all empires, one single people of all peoples, to found one single, immortal nation which has no other name but that of mankind’.<sup>1</sup> More than two centuries later, we like to think that commerce is indeed a uniting force between peoples, creating if not an ‘immortal nation’ called ‘mankind’, at least a ‘global community’. Trade, we assume, is the antithesis of warfare; it creates prosperity for all parties involved, rendering conflict impossible, polities more stable, and governments largely redundant. On the one hand there is the discord of empires; on the other there is peaceful commerce – warfare is the tool of the former, political economy that of the latter.

In the early modern period, political economy was in effect seen by many as an antidote to the evils of imperialism, an alternative to empire and its bloody collaterals which had so grimly tinted the age. As one journal optimistically summarised this new discipline in the wake of the costly and destructive Seven Years’ War, ‘political economy’ was a ‘science’ allowing one to ‘*increase the greatness, power, and wealth of the Nation, without at the same time aiming to enlarge the borders of what one possesses*’.<sup>2</sup> Ideally, political economy allowed for competition and greatness by more peaceful means.<sup>3</sup>

History, however, reminded others that the relationship between trade and empire often was less black and white, and more a subtle chiaroscuro. From the Italian city-states of the Renaissance, through the Dutch Golden Age to the rise of the British Empire, trade had worked wonders, but most often through conscious policies and seldom, if ever, without bloodshed. One of the continent’s most experienced practical imperialists, the Dutch officer of the East India Company and twice



governor-general of the East Indies Jan Pieterszoon Coen, had his finger on the pulse of a widespread economic culture when he explained to the governing body of the Netherlands that 'one cannot do commerce without war, nor war without commerce', for similar statements were legion across Europe in the seventeenth and eighteenth centuries.<sup>4</sup> Contrary to what is often assumed, the idea that trade could also be a means of coercion in international relations was in fact clearly articulated in the mainstream of early modern political economy by some of its most celebrated practitioners.<sup>5</sup> As one professor of political economy warned in 1781, aggressive export strategies had bestowed upon Britain 'dominion' even where it sent no troops, 'a different kind of Empire'.<sup>6</sup>

So though there was a tradition of thought emphasising the incompatibility of trade and war, there was also a parallel tradition that conceived of trade, and thus liberty and national security, as competitive rather than collaborative. In practice, the case is even clearer. England and later Britain rose to prominence in the eighteenth century through the vigilance of the Royal Navy, and its factories were protected by some of the most prohibitive tariffs in European history well into the nineteenth century. Military and economic power were not opposites as Britannia came to rule the waves; they were part and parcel of her imperial project, to which Adam Smith's memorable praise of the draconian Navigation Acts testifies.<sup>7</sup> There certainly existed a political economy of internal development, based on the idea that territorial policies, improving technologies of cultivation and production, and policing could bring about worldly melioration in a peaceful manner, but the limits and possibilities of the discipline could also be conceptualised very differently. The same insights into the benefits of administering possessions and dominions could validate imperial expansion and global competition for resources. Empire and political economy were not necessarily counteracting in the early modern world; they could also function in tremendous synergy.

'She who commands the Commerce, commands the Wealth', Thomas Brooke Clarke thus concluded in 1799, 'and she who commands the Wealth of the World, must command the World itself'.<sup>8</sup> As European powers sought to embrace the globe in the early modern period, the acquisition of their empires was inexorably intertwined with the acquisition of profits, and the two were seldom discussed in isolation. It is therefore not surprising that the political economy of empire is a growing theme in contemporary imperial and intellectual historiography.<sup>9</sup> Taking cues from neighbouring fields like Atlantic history and the history of globalisation, not to mention the history of economic thought, historians of early modern and modern Europe have become

increasingly interested in tying together the categories 'empire' and 'political economy' in order to reflect upon Europe's confrontation with its mounting world dominance and the dynamic relationship between intellectual history and the unfolding cultural, military, and economic history of global trade and conquest. In this context, the seventeenth and eighteenth centuries have proven to be particularly fruitful periods for analysis. Not only did they witness the rise of political economy as a discipline and a concomitant acceleration of European imperial expansion overseas, but they also form an intriguing backdrop against which the simultaneously introvert and extrovert nature of early modern Europe can be considered and through which the origins and consequences of imperialism can be ascertained.

*The Political Economy of Empire in the Early Modern World* takes this important historical moment as its subject as well as its point of departure. Inspired by monographs and comparative studies already published on the political economy of empire, it aims to open the field to its larger European and extra-European context. Though many of the contributions to our volume focus on the political economy of Europe's Atlantic empires – both theoretically and practically – these are enriched and made more trenchant by being put in a comparative global context. This both clarifies the unique and salient characteristics of western expansion and makes it historically intelligible as part of a larger imperial imagination of political and economic possibilities, in the metropolitan centres as well as in their colonial peripheries. Originating in a conference organised under the auspices of the Faculty of History at the University of Cambridge and the Centre for History and Economics at King's College, Cambridge, this collection of essays treats the diverse range of theoretical and practical manifestations of the science of political economy in and among the five largest European imperial powers: Spain, Portugal, France, England and Holland. While the volume does not claim to encompass all the possible horizons and perspectives inherent in the subject matter, and indeed a comprehensive treatment is not conceivable in a single volume, the multifaceted representation of its topic and its embodied dialectic between theory and practice do weave together a coherent picture of the political economy of empire in the early modern world and identify certain recurring themes and problems.

The organisation of the book, divided in two parts, is thematic. Part I groups together five contributions that predominantly treat intellectual developments and debates over empire in Europe, but also demonstrate the multidirectional influences between imperial centres and peripheries.

The essays in this section, entitled 'Theorising the Early Modern Empire', are arranged chronologically, starting with Jan Hartman and Arthur Weststeijn's on Pieter de la Court's (1618–1685) critique of the Dutch East India Company and the possibilities of imperial expansion eastward and northward as a means of resisting the rise of England. Their study is followed by Pernille Røge's examination of the physiocratic vision of colonial France after the Seven Years' War and this school's attempt to reconceptualise 'colonies' in the West Indies as 'overseas provinces' of the French agricultural kingdom. Shifting from continental to Scottish political economy, Tom Hopkins reinterprets the role played by colonies and formal empires in Adam Smith's political economy. The fourth and fifth chapters change perspective from the prosopographic and monographic to the comparative. Gabriel Paquette surveys the impact of British political economy on Spanish and Portuguese's colonial reform (1740–1810), highlighting the theoretical tensions resulting from the transfer of economic knowledge from core to periphery as colonies became sovereign states. Sophus A. Reinert concludes the section with a quantitative analysis of economic translations in Europe (1500–1849) that gauges the way in which international economic competition triggered imperial emulation of politico-economic theory and practice. Together, the five chapters illustrate how European powers faced very similar concerns and anxieties regarding their empires and greeted political economy as a possible solution to the many financial and political disputes the management of empire entailed.

Part II shifts the focus from theoretical to practical aspects of empire and, with the exception of Giles Parkinson, from metropolitan centres to colonial peripheries. Entitled 'Imperial Experiences', part II opens with Giles Parkinson's study on the role of the stock market in financing Britain's imperial wars against France, and how successful imperial expansion overseas can be seen to have solidified national sentiments in the metropolis and provided an oriflamme around which immigrant interests could consolidate their adoptive identities. Claire S. Levenson's contribution relocates to the Americas with a study of the economic encounter between the Yamacraw Indians and the British in Georgia Low Country, problematising the relations between different cultures of exchange: indigenous gift-giving and the European market principle. James Lees turns eastward again in his survey on practices of military-fiscalism in the East India Company, and particularly so on the relationship between fiscal measures and the success and consequence of the colonial economy of violence. Bertie Mandelblatt ends part II with a study on food provisioning in the French Caribbean world. Drawing

attention to the movement of material commodities among colonial and intercolonial networks of exchange rather than between colony and metropolis, the study offers an alternative mapping of mercantile networks in the French Atlantic.

Together, the two parts of this volume begin to address the ever-vexing and dynamic relationship between theory and practice in early modern political economy. Much as the real linkages between science and industry defy the transparency too often allotted them, so the relationship between early modern economic ideas, policies, and real-world consequences remains elusive and can perhaps never be resolved in a generalisable manner. The imperial encounter with political economy was in other words neither uniform across political, economic, cultural, and religious constellations nor static across time. Yet the essays here do justify the drawing of some larger conclusions, both historical and historiographical.

First of all, they all highlight the imperative importance of advancing the international and comparative dimensions of early modern history, not merely in terms of considering imperial cores and peripheries but also the dynamic relationships between polities, empires and the liminal lands between them. Whether statesmen, theorists, or practitioners, Native Americans, Indian peasants, or small-scale British investors, this volume's protagonists kept at least one eye perpetually across the horizon, whether their intentions were to understand, resist, reform, conquer, or emulate the proverbial 'other'. Many of the essays in the volume in effect place particular importance on the role played by emulation at the time, on the myriads of ways in which theories and practices were received, mediated, and implemented across time, borders, and languages in the early modern world – from the reception of Italian reason of state in Holland to the engagement with British imperial policies in the Luso-Hispanic dominions and the changing patterns of economic translations in the very long eighteenth century. Emulation, this book suggests, is a crucial cypher for making sense of the enormous changes taking place in the European world during its first period of globalisation.

Secondly, essays from the book's two parts highlight the importance of considering intellectual and material histories together, analysing the same problematic – in this case regarding the theories and practices of physiocratic imperialism in the wake of the Seven Years' War – from disparate but mutually illuminating angles. Similarly, gift-giving diplomacy in seventeenth-century Georgia, Adam Smith's theory of colonialism, and tax violence in eighteenth-century British India were facets

of the same imperial prism, disparate yet related aspects of the same vast historical phenomenon. As such, the essays here collected demonstrate the historiographical value of considering the history of political economy, one of the currently fastest growing and most innovative subfields of the historical profession, in a holistic fashion. The contributions collected in this volume address, with undeniable pertinence for the struggles of later periods, the moral and military ambiguity of profits and power as well as the often jealous interactions between different solutions to the problem of empire, whether theoretical or practical. By synthesising economic, intellectual, and cultural historiographies, *The Political Economy of Empire in the Early Modern World* lays a mosaic of imperial theories and practices contributing to the creation of the modern world.

David Hume understood that a revolution took place in human affairs once 'trade' became an 'affair of state'.<sup>10</sup> Success in the international economy had become an existential concern, and to many eighteenth-century observers it seemed obvious that 'commerce' had come not only to influence but to 'decide' the 'superiority of one nation over another'.<sup>11</sup> We are still struggling with the aftershocks of this revolution and with the exigencies it continues to present for the global economy. Together, the essays in this volume present a prolonged meditation on the origins and nature of this moment in world history, on the ways in which trade curtailed and reinforced dominion, and ultimately on the dynamic relationship between empire and political economy in a globalising world.

## Notes

1. In Simona Cerutti, 'Società Di "Eguali" E "Comune Umanità": La Critica Al Processo Tra Il Piemonte E La Francia Del Settecento', in Antonella Alimento (ed.), *Modelli D'Oltre Confine: Prospettive Economiche E Sociali Negli Antichi Stati Italiani* (Rome, 2009), 191–208, 205.
2. *Giornale d'Italia*, 21 July 1764 (Rome), 17.
3. The classic discussion of 'sweet commerce' is in Albert O. Hirschman, *The Passions and the Interests: Political Arguments for Capitalism before Its Triumph* (Princeton, 1977), but see also Pocock, *Barbarism and Religion*, 4 vols. (Cambridge, 1999–2005), I: 109, II: 79, 221, III: 309, 377–8; Stephen C. Neff, *Friends but No Allies: Economic Liberalism and the Law of Nations* (New York, 1990), 30; Katherine Barbieri, *The Liberal Illusion: Does Trade Promote Peace* (Ann Arbor, 2002); Michael P. Gerace, *Military Power, Conflict and Trade* (London, 2004).
4. In Maria Fusaro, *Reti commerciali e traffici globali in età moderna* (Bari, 2008), 71; emphasis added. See, for equivalent English statements at the time, Ronald

- Findlay and Kevin H. O'Rourke, *Power and Plenty: Trade, War, and the World Economy in the Second Millennium* (Princeton, 2007), 244.
5. See for example Simone Meysonnier (ed.), *Traites sur le commerce de josiah Child suivis des Remarques de jacques Vincent de Gournay*, (Paris, 2008), 242; Girolamo Belloni with annotations by Giovanni Battista Zanobetti, *Del commercio...* (Leghorn, 1751), 70n.
  6. Michele de Jorio, *Storia del commercio e della navigazione: Dal principio del Mondo sino a' giorni nostri...*, 4 vols. (Naples, 1778–1783), I: 21.
  7. Example, Patrick K. O'Brien, 'Inseparable Connexions: Trade, Economy, Fiscal State, and the Expansion of Empire, 1688–1815', in P. J. Marshall (ed.), *The Oxford History of the British Empire*, vol. 2, *The Eighteenth Century* (Oxford, 1998), 53–77; J. V. C. Nye, *War, Wine, and Taxes: The Political Economy of Anglo-French Trade, 1689–1900* (Princeton, 2007); Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, Edwin Cannan (ed.), 2 vols. (Chicago, 1976), I: 486.
  8. In Istvan Hont, 'The "Rich Country-Poor Country" Debate Revisited: The Irish Origins and French Reception of the Hume Paradox', in Carl Wennerlind and Margaret Schabas (eds), *David Hume's Political Economy* (London, 2008), 243–323, 299.
  9. Example, Richard Drayton, *Nature's Government: Science, Imperial Britain, and the 'Improvement' of the World* (New Haven, 2000); Jose Luis Cardoso, *A Economia Política e Os Dilemas do Império Luso-Brasileiro (1790–1822)* (Lisbon, 2001); Emma Rothschild, 'Global Commerce and the Question of Sovereignty in the Eighteenth-Century Provinces', *Modern Intellectual History* 1, no. 1 (2004): 3–25; Gabriel Paquette, *Enlightenment, Governance, and Reform in Spain and Its Empire, 1759–1808* (Basingstoke, 2008); Paul Cheney, *Revolutionary Commerce: Globalization and the French Monarchy* (Cambridge, MA, 2010).
  10. David Hume, *Political Essays*, Knud Haakonssen (ed.) (Cambridge, 1994), 52.
  11. *Giornale d'Italia*, 12 April 1766, 327.

# **Part I**

## **Theorising the Early Modern Empire**

# 1

## An Empire of Trade: Commercial Reason of State in Seventeenth-Century Holland

*Jan Hartman and Arthur Weststeijn*

In his reinterpretation of 1688 as the ‘first modern revolution’, Steve Pincus argues that England’s revolutionary epoch of the 1690s involved a significant change in the way people thought about the relation between politics and economics.<sup>1</sup> The ‘new political economy’, which rose to prominence in public discourse and state policy, held that wealth and power were based on manufacture instead of agriculture, on labour instead of land. Its underlying principle was that property was man-made and thus infinite instead of flowing from (finite) natural resources. This changing vision of political economy culminated in the financial policies of king-stadholder William III, such as the establishment of the Bank of England in 1694. Pincus shows that opponents of William III in the 1690s were prone to dismiss these novel policies as coming from Holland.<sup>2</sup> Was this a cheap polemic trick of guilt by association with the alien interest of Britain’s natural enemy? Or was the ‘new political economy’ really a Dutch import?

To answer these questions, we first need to establish what the dominant ideas on politics and economics were during the period in which young William III (1650–1702) grew up in Holland. Recent scholarship, in particular by Erik Reinert and Jacob Soll, has laid some of the groundwork for this task by highlighting the international significance of seventeenth-century Dutch economic theory and practice, explicitly couched by Soll as ‘the rise of political economy’.<sup>3</sup> According to Soll, a crucial role in this process should be ascribed to Pieter de la Court’s *Interest van Holland*, an influential political treatise, first published in 1662, that had a large impact on foreign perceptions of Dutch mercantile success.<sup>4</sup> De la Court’s work is particularly



important in the context of European commercial emulation, or ‘jealousy of trade’, a leitmotif of the age that has been adopted by Istvan Hont to describe the gradual development of a Machiavellian theory of international trade at the end of the seventeenth century.<sup>5</sup> Yet surprisingly Hont has paid very little attention to Dutch theorising about politics and commerce, even though the Netherlands were the principal object of much of the jealousy in question. To mention just one example, Josiah Child stressed in 1668 that the ‘prodigious increase of the *Netherlands* in their domestick and foreign Trade, Riches, and multitude of Shipping, is the envy of the present, and may be the wonder of all future Generations’.<sup>6</sup> The Dutch themselves shared this assumption. A pamphleteer argued in 1661 that Dutch primacy in world trade, ‘the Soul and the life of the Netherlands’, had caused it to be that ‘several Nations have become jealous, especially the English, who cannot bear the prosperity of the Dutch’.<sup>7</sup>

In this chapter we aim to uncover this Dutch theorising about commerce as the pivot of international competition, focusing on the work of de la Court in the context of the development of reason of state theory throughout Europe. De la Court’s case, we argue, shows that the term ‘political economy’ does not adequately describe seventeenth-century Dutch thought about politics and economics, which involved a distinctive application of conventional ‘reason of state’ to a seaborne, mercantile polity. As an alternative to ‘political economy’, therefore, we propose the concept of ‘commercial reason of state’ as a more useful term to understand the context and development of Holland’s ‘jealousy of trade’ in the early-modern period.<sup>8</sup>

## **The rise of commercial reason of state**

When William III came of age in the Dutch Republic, Pieter de la Court ranked among the most important Dutch theorists on the relation between politics and economics. De la Court was born in 1618 as the eldest son of a Walloon immigrant family in Leiden. Educated at Leiden University during the 1640s, he and his younger brother Johan, born in 1622, became successful entrepreneurs in Leiden’s textile industry, which was by then the largest in Europe and employed more than half of the town’s population.<sup>9</sup> The combined scholarly and economic background of the brothers de la Court resulted in their large oeuvre of political treatises which critically commented upon the remarkable ‘Golden Age’ of Dutch primacy in world trade. The initiative for this

intellectual enterprise had come from Johan de la Court, yet after his premature death in 1660, Pieter took over the project, adapted his brother's work and published a range of treatises until his own death in 1685.<sup>10</sup> All in all, the brothers' common oeuvre, which merged a radical critique of all forms of monarchy with a groundbreaking study of the origins of Dutch prosperity, was highly contested and debated throughout the Dutch Republic – and it remained influential far beyond the country's borders.

The very first treatise of the brothers de la Court comprised a comprehensive analysis of the economic and political situation in their hometown of Leiden. Dedicated to the local magistrate Johannes Eleman, Pieter de la Court's brother-in-law, the treatise offered a critical assessment of the policies of the municipal government, which according to the de la Courts fundamentally obstructed the economic, religious and political liberties of Leiden's citizens.<sup>11</sup> This treatise, which circulated in manuscript and would not be published during the brothers' lifetime, formed the foundation of a general theory of a commercial republic that was developed in their subsequent works and applied to the case of Holland at large in the 1662 *Interest van Holland*. Significantly, the de la Courts started their treatise on Leiden with the explicit statement that the politics of their hometown should be conceived 'sopra la raggion di Stato' (on the basis of reason of state).<sup>12</sup> From the outset, they thus positioned themselves in the tradition of reason of state: an intellectual current comprising a heterogeneous array of political treatises which, from the end of the sixteenth century onward, flooded the European markets with intricate accounts of how to preserve and enlarge a dominion according to the notorious adage 'necessity has no law'.<sup>13</sup> What exactly was the sort of reason of state that the de la Courts adhered to?

One of the first and foremost contributions to the reason of state tradition was Giovanni Botero's *Della ragion di stato*, first published in 1589. Writing in the large shadow of Machiavelli, Botero (ca. 1544–1617) chiefly argued that princes should promote the *grandezza* (greatness) of their 'state' (defined as 'a firm dominion over peoples') through the expansion of territory, population and, in particular, wealth. Reason of state, then, entailed a practical framework to achieve such greatness, offering princes 'the knowledge of the means of establishing, preserving and enlarging a Dominion'.<sup>14</sup> In its opening passages, Botero's work revealed to be deeply indebted to the Machiavellian obsession of how to establish and pursue such a durable empire that