

Mercantilism Reimagined or Redefined?

A Review of *Mercantilism Reimagined: Political Economy in Early Modern Britain and its Empire*, edited by Philip J. Stern and Carl Wennerlind
(New York: Oxford University Press, 2014, ix, 404 pages)

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Among the technical terms employed in discussions of the history of economic thought, “mercantilism” is one of the hardest to define. Historians agree that the concept originates with Adam Smith. Although Smith himself never employed the term specifically, historians have made ample use of the notion of mercantilism since Smith first directed criticism at the principles of the “mercantile system” or the “system of commerce.” Recent historians have tended to avoid the term, but they have not discarded it. The co-editors of *Mercantilism Reimagined*, Philip J. Stern and Carl Wennerlind—together with their co-authors in this volume of sixteen essays, with an introduction and afterword—are among those who have not yet abandoned mercantilism. With this volume, Wennerlind and Stern aim “neither to praise nor bury mercantilism but rather to reimagine it” (4; all page references, unless otherwise noted, are to *Mercantilism Reimagined*). Notably, this volume can be seen as a detailed survey of the contemporary study of mercantilism. Indeed, most of the authors have published their own books in recent decades.

In their introduction, Wennerlind and Stern offer two general principles as the basis for *Mercantilism Reimagined*: first, that mercantilist thinkers have wrestled with economic problems from diverse perspectives that range from the Aristotelian to emergent early modern progressive views; and second, that early modern states were “rather weak, decentralized, and amorphous” (5). While the co-editors justly point out that attempts to revise the concept of mercantilism have always been “products of their time” (5), they set asides questions of the legitimacy or adequacy of the concept and take as their starting point a rejection “of the notion that the economy was itself a distinct field of operation” in early

modern England. The editors' interest lies not in exposing the "moral implications" behind economic behaviours, but rather focuses on the role of morality, politics, and science as "front-and-centre" issues in people's minds (7). In other words, while *Mercantilism Reimagined* does not deny that mercantilism has something to do with economic matters, it extends what has been described as mercantilistic to encompass non-economic factors and views.

The editors consciously eschew any singular, narrow definition of mercantilism. Indeed, the perspectives that the authors represent in the volume range widely, and their views reflect the particularities of the historical subjects that they consider. These subjects include not only "familiar names" such as Mun, Misselden, Child, and Davenant, but also "intellectual communities, such as the Hartlib Circle, as well as naturalists, colonial officials, directors of joint-stock companies, politicians, preachers, and even pirates" (7). However, insofar as mercantilism studies are "products of their time," the authors' own definitions of the notion cannot but inform their historical imaginings in *Mercantilism Reimagined*. Without conscious attention to this, the new problematic notion that emerges from the authors' diverse perspectives would be even more chaotic. In order to offer a clear view of these rich writings in the context of the underlying assumptions, I will attempt here not only to arrange the issues addressed in this volume, but also to unearth the various redefinitions it offers of mercantilism, all of which unavoidably "products" of our time.

First, the initial six chapters, grouped into two sections entitled "Circulation" and "Knowledge," offer as an aspirant for our new definition of mercantilism what we might call the Hartlibian improvement program. Paul Slack has already explored the notion of improvement in the Hartlibian context in his *From Reformation to Improvement: Public Welfare in Early Modern England* (Oxford: Clarendon Press, 1998) as well as in his recently published *The Invention of Improvement: Information and Material Progress in Seventeenth-Century England* (Oxford: Oxford University Press, 2015). However, these initial sections of *Mercantilism Reimagined* attempt to connect the scientific and social movements that engendered this notion of improvement in early modern England to the idea of "infinite" economic expansion, which Steven Pincus (1688: *The First Modern Revolution*, New Haven: Yale University Press, 2009) and Carl Wennerlind (*Casualties of Credit: The English Financial Revolution, 1620–1720*, Cambridge, Mass.: Harvard University Press, 2011) consider characteristic of contemporary conceptions of the early modern political economy.

The first two chapters specifically examine how the concepts of population and labor were understood in Britain and the West Indies. In chapter 1, Ted McCormick illustrates how concepts for aggregations of people in early modern England developed in three phases. In the first phase, from the early sixteenth

through the early seventeenth centuries, population was defined “qualitatively,” in terms of “multitudes” that were “evaluated in terms of their distinct contributions to or diminutions of the prosperity and security of the commonwealth” (31). Thus, contemporary thinkers held that vagrants should be sent to the workhouse where their idleness would vanish, whereas the number of mariners, “pillars of the commonwealth,” should be encouraged to increase (30). The second phase, according to McCormick, was one of “quantification.” Consequently, from the viewpoint of Hartlibian improvement during the Interregnum, what mattered was not a particular group’s qualifications but the totality of a population. In the last phase, the quantification of population became a form of scientific knowledge called political arithmetic.

In chapter 2, Abigail Swingen shows that colonial immigration policy in the West Indies always reflected the economic and political situation of England. “[E]ven criminal populations were not necessarily considered threatening to society” in the mid-seventeenth century, Swingen explains. Instead, they were considered potential contributors, if properly trained and managed, to economic “improvement” (53). The slave trade was also driven by a dearth of available labor in the home country. While in her book, *Competing Visions of Empire: Labour, Slavery, and the Origins of the British Atlantic Empire* (New Haven: Yale University Press, 2015), Swingen focuses on the interrelationship of the West Indian slave trade and England’s political situation, here she connects colonial population policy to the Hartlibian worldview, with reference to McCormick’s chapter and to the departure from a sense of the limitedness of world resources that Thomas Leng observes in chapter 4 (56).

As he does in his *Casualties of Credit*, Wennerlind, in chapter 3, contrasts the static and finite neo-Aristotelian conception of the economic order found in Malynes, Misselden, and Mun with the Hartlibian notion of an infinite and elastic order that encouraged innovation and improvement. Whereas Wennerlind’s book centers on the dark side of credit in its attention to public distrust of the integrity of Bank of England reserves and the fragility and fickleness of “Lady Credit,” his chapter in this volume exclusively concerns the Hartlibian “culture of improvement” (87), the essence of which was conveyed in terms such as “infinite,” “no end,” and “no limit.” This idea of “infinite improvement” is the common thread that links this chapter to those of McCormick and Swingen. At the end of the chapter, Wennerlind concludes that knowledge in the early modern period was generated by a “co-production” that no single person could attain independently (88).

This conclusion seems to correspond to Thomas Leng’s view on the first page of chapter 4, where he argues that knowledge is “arrived at, sustained, and recognized through collective action” (97), although Leng borrows the notion

from Steven Shapin, rather than observing it in the Hartlibian context, as Wennerlind does. The problem that Leng takes up concerns the “epistemological uncertainty” of commercial knowledge. On the assumption that “fact,” in accordance with Mary Poovey’s term, or “truth” in accordance with Shapin’s, is not discovered, but created, Leng presents the process whereby seventeenth-century writers strove to transmute practical knowledge collected by merchants into scientific knowledge from which private interest was excluded. His subjects include Francis Bacon’s attempt to “preserve purity of knowledge,” the Hartlib Circle’s project of constructing a “clearing house for information,” and ‘the production of knowledge of commerce’ in the Royal Society (106–08).

In chapter 5, Fredrik Albritton Jonsson observes the interaction between political economy and Baconian natural philosophy in the case of tobacco planting. Like the authors of the prior chapters, Jonsson assigns a central role to the notion of infinite improvement fostered by Bacon and the Hartlib Circle. Jonsson shows that the limits of fertility were thought to be surmountable by the diversification of crops and the input of slave labor. The “hope of indefinite growth” escaped constraint by “an incipient awareness of environmental limits” (130).

Differentiating between mercantilism and cameralism, Andre Wakefield actually presents a definition of mercantilism in chapter 6. Citing J. S. Mill, he characterizes mercantilism as a doctrine in which metal money is regarded as wealth that can be secured only through foreign trade. In contrast to this version of mercantilism, Wakefield describes cameralism as more a matter of practical and “everyday state administration” than a “general principle of trade” (135). However, Wakefield also mentions another kind of mercantilism, “Hartlibian mercantilism,” which he characterizes as focusing on natural philosophy, natural history, and technology. Hartlibian mercantilists shared with German cameralists “the commitment to the improvement of agriculture and manufactures” (136). Wakefield’s *The Disordered Police State: German Cameralism as Science and Practice* (Chicago: University of Chicago Press, 2009) sheds light on the cameralists’ contradictions: while they assayed to establish a general science in order to underpin a “well-ordered police state” (Wakefield 2009, 142), their efforts to promote their own interests led them in the end to failure. In other words, they pretended to be “good cameralists” but ended by unveiling their “bad cameralist” faces. In his chapter in *Mercantilism Reimagined*, furthermore, Wakefield describes cameralism as “a learned profession,” in contrast to “Hartlibian mercantilism,” which “lacked . . . academic and fiscal structures” (147), although this description does not seem to agree wholly with the depiction of Hartlibian mercantilism as more intellectual elsewhere in *Mercantilism Reimagined*.

A second possible perspective for renewing our understanding of mercantilism entails the rejection of it as a state-building process in favor of considering it in the context of alternative, non-state constituents of economic systems. In accordance with the second general principle that the editors set forth in the introduction concerning the weak nature of the early modern state, the first two chapters of part three, which is entitled “Institutions,” share a fundamental doubt about the concept of state-building, an essential factor for earlier generations of mercantilism scholars, among whom Eli Heckscher is typical. Henry S. Turner’s chapter on corporations reveals that sixteenth-century writers such as Sir Thomas Smith and Richard Hakluyt described the corporation, the company, and society as equally autonomous and durable forms of organization. At the end of his chapter, Turner suggests that “the State is itself a kind of corporation entity,” and that “[s]etting aside the concept of the ‘State’ . . . allows for a more flexible and more detailed analysis of how collectivities are formed and ordered” (169).

This suggestion may correspond to Philip J. Stern’s view in the next chapter on companies. This chapter concisely reiterates the argument that Stern fully develops in his book, *The Company-State: Corporate Sovereignty and the Early Modern Foundation of the British Empire in India* (Oxford: Oxford University Press, 2011), in which he argues that the East India Company needed to have, and indeed had, a quasi-state structure, and that corporations, whether colonial companies or states, “were by nature public authorities and governments in their own right” (Stern 2011, 214). Stern’s chapter in *Mercantilism Reimagined* offers an interesting comparison of two types of early modern business in order to support this thesis. Whereas a regulated company such as the Levant Company was “essentially a guild of individual traders and small partnerships,” a joint-stock company was an entity of capital, an “artificial corporate person” “without a soul and thus without a conscience.” Because it stood accused of “soullessness” and its trustworthiness was doubted, a joint-stock company needed a soul, which is what sovereignty offered (186–87). Thus, Turner’s and Stern’s chapters provide strong arguments for reconsidering mercantilism as a state- or nation-state-building process.

The other two chapters of part three explore what happened beyond the boundaries of regular, legal maritime trade. Drawing on extensive documentary evidence, Brent S. Sirota demonstrates in chapter 9 that English writers of the seventeenth and eighteenth centuries repeatedly and diversely called for the religious education of seamen, who were essential for the expansion of the British Empire. From this, Sirota deduces that “the campaigns of religious activis[m]” and “mercantilism” were not contradictory (209).

Niklas Frykman, in chapter 10, shows that both Atlantic piracy and English south coast smuggling in the first half of the eighteenth century were products

of the economic and political situation in Britain. Frykman explains this in causal sequence as follows: The 1713 Treaty of Utrecht brought peace, an increase in unemployment, the rapid growth of the pirate community, and stagnation; consequently, the profitable smuggling business, particularly of tea on the south coast in the 1740s, cut into tax revenues significantly, causing serious fiscal damage to the government. Frykman also finds a “collective ethos” (232) among pirates and smugglers and people both of the colonies and rural England who dealt with them “quite happily” (233).

Sirota’s and Frykman’s chapters on non-state institutions relate closely to other recent studies of non-trade factors in overseas trade. Sirota’s chapter offers an interesting contrast to Natasha Glaisyer’s notion of “preaching before the Levant Company” in her book *The Culture of Commerce in England, 1660–1720* (Woodbridge: Boydell & Brewer, 2006, ch. 2). Frykman similarly contrasts with Swingen (2015) and Stern (2011). Viewing the chapters of part three as a whole, one sees the possibility of a perspective centring on non-governmental corporations and solidarities within organizations in the “age of mercantilism.”

Regina Grafe’s chapter—although it is in part four, which is entitled “Regulation”—also concerns the weak nature of the state. While the notion of mercantilism is usually invoked in discussions of international competition, Grafe reminds us of Heckscher’s comment that “mercantilism was ‘primarily an *agent of unification*’” (245). She argues that in Spain, with its lack of an absolute ruler, a “decentralized, negotiation-based decision-making process” (256) and the powerful jurisdiction of self-administering towns foiled all efforts to create a unified tax system and market. Thus, by Heckscher’s definition of the term, “Spain was not supposed to be mercantilist” (258).

Yet another possible perspective is to see mercantilism as a strategy of deterrence in relation to the expansionist Weltanschauung of Hartlibian improvement. While the first two parts of *Mercantilism Reimagined* reflect a consistent image of mercantilism as an infinite and expansive improvement program, as conceived by the members of the Hartlib Circle, Anne L. Murphy, in chapter 12, explores it from an opposing perspective in relation to the regulation of markets. She considers the reasons for controlling early modern financial markets—including the threats of deceit, social disorder, and the undermining of landed interests—and the difficulty of making regulatory laws. Even when such laws were passed, she observes, they were ineffective. Murphy concludes that contemporaries viewed financial markets as a necessary evil that could work satisfactorily if they were well controlled. Murphy’s account reminds me of the closing part of Wennerlind’s *Casualties of Credit*, in which—after first shedding light on the positive side of Hartlibian improvement and then on the dangers of the rosy vision that it offered—Wennerlind observes the convergence of the two

resulting streams of thinking on credit in David Hume.

Another perspective that should not be overlooked in discussions of mercantilism concerns “jealousy of trade,” which the late Istvan Hont brought to the center of the history of early modern economic thought. *Mercantilism Reimagined* groups the essays it offers on this subject under the title “Conflict.” Sophus A. Reinert’s chapter in this section (chapter 16) portrays political conflicts—which he explores in a European, and particularly Italian, context—as driven by “jealousy of trade”; in other words, war and wealth went hand in hand. Moreover, whereas Hont exploited the idea of “emulation” as a means of overcoming the negative consequences of jealousy, Reinert focuses in *Mercantilism Reimagined* on the rivalry between economic and political powers. Interestingly though, Reinert’s book, *Translating Empire: Emulation and the Origins of Political Economy* (Cambridge, Mass.: Harvard University Press, 2011), traces the evolution of emulation, which is Hont’s central concern, in the translation of John Cary’s pamphlet into the European languages.

Elsewhere in the “Conflict” section of *Mercantilism Reimagined*, John Shovlin (chapter 14) finds a positive resolution of “jealousy of trade” in early modern political economy, which regarded commerce as an appropriate way to resolve international conflicts. According to Shovlin, what matters is not whether we call it “mercantilism” or “economic liberalism” but whether war should be seen as “a path to public enrichment” or an obstruction to it (314). Shovlin’s description of responses to early modern economic conflicts sounds similar to Hont’s description of “emulation,” although Shovlin neither uses the term nor refers to it. Victor Enthoven, in chapter 15, approaches the problem of conflict from the opposite direction. Taking the Anglo-Dutch case as an example, Enthoven demonstrates that the Dutch employed a strategy of neutrality, its ultimate failure notwithstanding, in order to promote and benefit from free trade. Martyn J. Powell, in chapter 13, considers international economic conflict in terms of consumption and consumer behaviors. In this regard, Powell presents the “consumer influence on the mercantile system” (288) with examples of non-consumption and non-importation movements, boycotts, and violent protests in Ireland.

Lastly, I want to mention the “industrious revolution” as an indispensable point of reference when considering the age of mercantilism, even if it is addressed only implicitly in *Mercantilism Reimagined*. In his reading of Smith’s *The Wealth of Nations*, Craig Muldrew observes that Smith emphasized the “pernicious effects” of mercantilist regulatory policies on poor laborers’ wages and consumption, rather than the promotion of free trade. Although Muldrew’s afterword to *Mercantilism Reimagined* makes no reference to his own book, *Food, Energy and the Creation of Industriousness: Work and Material Culture*

in *Agrarian England, 1550–1780* (Cambridge: Cambridge University Press, 2011), in which he finds an English version of the “industrious revolution” driven by laborers’ consumption of food, Muldrew’s message in his afterword seems to correspond to his view of a quotation from Smith in the final paragraph of his book as “demonstrat[ing] both Smith’s unusual sympathy for working men at the time and the importance of their labour in the formation of what he termed public opulence” (Muldrew, 2011, 324).

With regard to Spain, it was impossible to realize the industrious revolution that Jan de Vries sees in Holland and Muldrew in England, according to Grafe’s argument in her book, *Distant Tyranny: Markets, Power, and Backwardness in Spain, 1650–1800* (Princeton: Princeton University Press, 2012). Grafe shows that even if potential consumer demand, the driving force of industriousness, existed and even if people were industrious, there could be no revolution because Spain lacked a unified market. Grafe points out that de Vries’ “‘industrious’ people needed markets that were integrated enough for new goods to be readily available and more work to be on offer” and that “[i]t is thus not surprising to observe this process earliest and most intensely in the Netherlands and Britain, which exhibited very high degrees of internal market integration very early on” (Grafe 2012, 193).

In the introduction to *Mercantilism Reimagined*, the editors note that understandings of mercantilism have always been “products of their time.” Thus, I have sought redefinitions of mercantilism in *Mercantilism Reimagined* in the context of their resonance with contemporary issues. Indeed, in the afterword, Muldrew refers to the contemporary context, thereby “raising questions about our need to understand mercantilism in the context of the financial crisis of 2008” (17). Muldrew points out that mercantilism shares with our present political economic thinking the idea of governance, particularly of financial matters. Moreover, in response to the crisis of 2008, Muldrew poses the question of how we could realize “a Smithian version of a broad-based consumer society” after seeing excessive free trade deeply destabilize markets (381).

Japanese historiography may offer good examples of how, as Muldrew and the editors of *Mercantilism Reimagined* suggest, historical narratives reflect the times of their authors. Craving modernization for Japanese society, mid- and late-twentieth century liberal and Marxian Japanese historians saw an ideal for their own society in Adam Smith’s world of economically and politically independent individuals. Yet they idealized Smithian civil society in accord with the tenor of their discursive context. In the Japanese mercantilism studies of that period, which are epitomized by the work of Noboru Kobayashi, it made sense to deploy prehistory in order to illuminate such an idealized civil society. However, in the momentary ideological vacuum that followed the ending of the cold

war—and the resulting collapse of Marxian illusions—revisionist perspectives on the early modern European history of ideas crept onto the Japanese scene. For example, an accumulation of high-quality studies of Adam Smith led to a new research focus on the history and significance of the Scottish Enlightenment. Of such studies, *The Rise of Political Economy in the Scottish Enlightenment*, edited by Tatsuya Sakamoto and Hideo Tanaka (London: Routledge, 2003) is a representative volume. While the exhaustive contextualism of such historical studies reflected a step forward in quality and won them international currency, it must be observed that a certain uniqueness of Japanese perspective was lost.

As these cases make clear, ironically or not, the study of history cannot escape E. H. Carr's characterization of it in his *What is History* (London: Macmillan, 1961); namely, that history is a conversation between the past and the present. In this context, it is worth reflecting on how the national peculiarities of historical research cannot be entirely elided. As we have seen here, every narrative of *Mercantilism Reimagined* offers a progressive, sometimes even rosy vision of the burgeoning market economy, which is described in terms of improvement, industry, and emulation. In contrast, two Japanese early modern historians, Koji Yamamoto and myself, have taken a skeptical attitude toward such perspectives. For instance, Yamamoto has explored the two-facedness of seventeenth-century English economic projects, which were received as serving the public good and as immoral at the same time (see *Taming Capitalism before its Triumph*, forthcoming, ch. 1; "Piety, Profit, and Public Service in the Financial Revolution," *English Historical Review* 126, 2011, 806–34; and "Reformation and the Distrust of the Projector in the Hartlib Circle," *Historical Journal* 55(2), 2012, 375–97). Further, I have demonstrated that institutional innovations such as banking and the registration of estates represented efforts by English financial projectors of the seventeenth century to overcome such ambivalence (see "The Making of Institutional Credit in England, 1600–1688," *European Journal of the History of Economic Thought* 18(4), 2011, 487–519; and "Registration and Credit in Seventeenth-Century England," *Financial History Review* 20(2), 2013, 137–62). Even though Yamamoto has been living for more than a decade in Britain, while I have resided in Japan, we seem to share, as Japanese early modern historians, a similar dubiousness about progressive optimism. Is this coincidence?

A quick survey of other recent Japanese historical studies suggests otherwise. *Adam Smith's Ethics* (2 vols, Ochanomizu Shobo, 1997, in Japanese) by Shoji Tanaka, one of Japan's leading Smith scholars, is filled with cautionary messages for contemporary Japanese who experienced the great financial crisis of 1990 in Japan, even though the work is thoroughly *historical*. Another Japa-

nese historian of economic thought, Hiroshi Takemoto, keeps a careful distance from progressive or cosmopolitan images of Smith in his study of Smith's *The Wealth of Nations*, which he regards as a book written from a Hobbesian world-view (*Reading The Wealth of Nations*, Nagoya University Press, 2005, in Japanese). Beyond Yamamoto's and my own, such works seem to reflect a characteristic skepticism in late Japanese historical studies of progressivist descriptions of the early modern English economy and its contemporary economic thought.

Thanks to revolutionary advances in information gathering enabled by today's technology, academic historical studies have become exhaustive and sprawling. Only a small amount of room remains for historians to shape messages in their own idioms. We are challenged to imagine the past without any connotations; but as long as history remains a conversation between the past and the present, and historical studies are "products of their time," we must step forward, however moderately, to the simultaneous challenge of constructively redefining history. The two tasks are inseparable.

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