> Beneath the heel of tyranny, and allow a *crowd of outsiders* [non-Normans]
> To oppress this people daily with their tax-farms?

The reference to 'outsiders' shows the continuing strength of particularist, or separatist national movements in France, in this case Normandy. The Norman and *croquants* movements were rising against centralizing Parisian imperialism imposed only recently on independent or autonomous nations as much as against the high taxes themselves.

9.2 Claude Joly and the *fronde*

The most prominent rebellions in the mid-seventeenth century France were those of the nobles and the judges and known as the *fronde*. The leading theoretician of the parliamentary (judges') *fronde* was Claude Joly, whose *Receuil de maximes veritables* was published in 1653. Joly's treatise was a collection of constitutionalist maxims, remnants of a pre-absolutist age, and included trenchant attacks on two contributions of Cardinals Richelieu and Mazarin to political thought and practice in France. One was the new notion that the king is rightly the master – in effect the owner – of the persons and property of all inhabitants of France. The other was the Machiavellian view that successful public policy requires the systematic use of immoral means.

The king's power, warned Joly, is limited and not automatically sanctioned by divine law. Frenchmen possess just title to their lives and properties, and are not the slaves of a despot or tyrant. The king's original divine power is mediated through the French people, Joly added, and the king cannot rightfully tax the French without the consent of the states-general. The fact that Joly was reviled by the king and his party as a rebel and a traitor, he declared, shows that the old constitution has been overcome by new views holding the king to have unlimited authority above all law. For Joly, this new view was 'pure usurpation', bred in the monstrous cauldron of 'Machiavel'.

9.3 A single tax

In the late sixteenth century, Jean Bodin and others had raised the question of removing many or all of the crippling network of taxation, and substituting a single universal direct tax proportionate to property or income. With taxes far higher and more oppressive by the mid-seventeenth century, the call for a simpler, single direct tax was heard once again. Not only the people, but even the Crown, would benefit by eliminating a legion of unproductive and parasitic tax farmers and other tax officials.

One of the earliest of these tax reformers was Isaac Loppin, who published *Les mines gallicanes* in 1638. The tract went through four editions, including one during the *fronde* era in 1648, and directly influenced later tax reformers. Loppin explained how all members of society, from the poorest to the king,

suffered from the depredations of the tax officials: 'without excepting even the sacred person of His Majesty, there is not a single inhabitant of his Kingdom who, from the top of his head to the soles of his feet, does not carry some vestment or eat some food which is not burdened by the said subsidies and imposts'. Loppin urged the abolition of all existing taxes, and their replacement by a small fixed tax per year on the wealthiest 10 per cent of the population.

Loppin's pamphlet greatly influenced a one-time assistant to the secretary of state for foreign affairs, the Sieur de Bresson. Bresson addressed a tract to King Louis XIV in 1675, entitled *Propositions au Roi.* He realistically denounced the tax 'officials and exacters' as having 'no other goal than their private interests'. He then pointed out that the king himself was at the mercy of the tax collectors, and repeated the above quotation from Loppin word for word. Bresson divided up the wealthiest 10 per cent or so of the non-privileged into 19 income classes, and suggested a single direct tax upon them, graduated by class.

In the meanwhile, in 1668, Geraud de Cordemoy urged his own single tax plan upon the government. In his *Letter Concerning the Reform of State*, Cordemoy urged a single head tax, payable by everyone. He set forth the plan in the form of a dream recounting an ideal state in a distant land, a land enjoying such a single head tax (or capitation) paid 'by each person' for the 'charges and necessities of state'. Furthermore, in an unusual twist, Cordemoy declared that such a head tax would be 'voluntary', since everyone would know that he was much better off then he had been in the current, existing system.

An immensely popular work, written about the same time, was Paul Hay, Marquis du Chastelet's *Traité de la politique de la France.* The *Traité* was written in 1667, with copies circulating throughout France until its publication two years later. Attacking the oppressive burden of taxation, Chastelet called for a tax on property extending to the previously exempt estates of the nobility, and the transformation of the onerous salt tax into a universal direct tax on income. He also urged relief of the tax burden on the peasantry by accepting payment in kind as a legal substitute for specie.

A more radical plan, originating in the late 1650s, was conceived by a marshall of France, and governor of the principality of Sedan, Abraham de Fabert. Fabert died in 1662, but in 1679, an unknown author presented the Fabert plan to the chancellor of France. Fabert had called for transformation of the salt tax into a graduated direct tax upon the non-privileged members of society. This plan was not designed as a single tax, but 'all new taxes' could be abolished, and other taxes could be brought down to their original rates. Reminiscent of Bresson, Fabert's plan was to divide the non-privileged Frenchmen into 30 income classes, the tax graduated by class. Collection costs for

enforcing the tax would be reduced to a minimum, and the king would be liberated from 100 000 'blood-sucking' tax officials. In 1684, a second edition of the Fabert-based pamphlet added a substantial amount of statistical backing to the plan.

9.4 Rising opposition to collectivism by merchants and nobles

The imposition of Colbert's regime of statism, monopoly and prohibitive tariffs, combined with Louis XIV's high taxation and centralization, gave rise, by the late 1660s, to a growing tide of opposition by merchants and nobility alike. An important compendium of criticisms was the anonymous treatise, *Mémoires pour servir à l'histoire*, published in 1668. The *Mémoires* comprise the first extended published polemic against Colbert and Colbertism. Politically, the author denounced Colbert for substituting centralizing innovations for the old constitution. Attacking Colbert's policies across the board, especially tariffs and monopolies, the book pointed out that the French refusal to purchase from the Dutch had induced the Dutch to cease purchasing from France. On trade, the *Mémoires* made the important point that the Colbertian ideal of national self-sufficiency was contrary to natural law, since providence had created a great diversity of natural resources throughout the world, in order that mankind be united by the bonds of mutual interdependence through international trade.

After an upsurge of denunciations of Colbert in the late 1660s, the controller-general reacted by cracking down on all dissent. In consequence, when Colbert died on 6 September 1683, there was intense joy throughout France, and especially in Paris. In fact, only protection by the soldiery prevented the populace from demonstrating their attitude by dragging Colbert's body through the streets of Paris. Many oppressed Frenchman exulted that a new dawn had arrived: 'Taxes would cease and the Golden Age would return'.

Such was not to be, however, and absolutism and consequent economic distress became even worse. But the death of Colbert allowed a raft of dissent to arise once more. A torrent of hatred poured out against Colbert's son, nephew, and other of his hand-picked successors.[1] The outpouring of opposition, encouraged by official inquiries and investigations of the Colbertian past, was not merely personal, however. It was also in opposition to the mercantilism stifling the economy. In May 1684, a nobleman accused Colbert of being responsible for the 'ruin of finance and trade'. The establishment of subsidized and privileged manufactures 'has deprived commerce of liberty...and denied merchants the means to attract money from abroad'. The high protective tariffs, the unknown nobleman pointed out, crippled foreign demand for French farm products, and thereby reduced the French farmers to penury.

This line of attack on Colbertism was developed in the following year by Gatien de Courtilz de Sanras, Sieur du Verger, who published a book on *The*

New Interests of the Princes of Europe. Trying to bolster domestic producers, the French government had only succeeded in wrecking them by crippling their export markets. This popular work had gone into four editions by 1689. In the same year, the famous collection of tracts, published in Amsterdam, *Les soupirs de la France esclave* (*The Sighs of an Enslaved France*) also inveighed against protective tariffs as leading to misery and the crushing of commerce.

Particularly eloquent in the *Soupirs* collection was the attack on Colbertism by the merchant Michel le Vassor, who wrote:

> the king by the frightful and excessive taxes which he levies on all goods has drawn to himself all the money, and commerce has dried up. There are no rigors and cruelties which have not been employed upon the merchants by the farmers of the customs, a thousand trickeries to find grounds for making confiscations... Besides this, certain merchants, through the favor of the Court, put commerce into monopoly and get privileges given to them to exclude all the others...And finally the prohibition of foreign goods, far from turning out well for commerce, is, on the contrary, what has ruined it...And all through this the despotic and sovereign power which prides itself on every whim, on reordering everything and reforming all things by an absolute power.[2]

During this depressed period, the directors of Colbert's French East India Company denied, in 1685, that they had caused the hard times by exporting specie in order to import goods from the Indies. Arguing for 'freedom of trade' in their *Responses aux mémoires*, when they really only valued *their own* freedom to import from their privileged monopoly position, the directors yet tapped an important vein of free trade thought:

> Experience has shown that trade cannot be conducted without a total liberty and with a mutual correspondence with foreign countries. The moment we...violated [trade]...the foreigners withdrew. They attracted French workers and established our manufactures in their country...and have dispensed with ours.

The directors also defended vigorously their practice of exporting specie in exchange for Asian imports. They escalated their reply by pointing out that in Holland (always a country whose prosperity and trade was admired and envied during the seventeenth century)

> the ports are always open for the entry and exit of specie with every possible liberty...moreover, in Holland the same liberty is accorded for the export of money in the coin of the country. It is this great freedom which attracts abundance to the point where it is and renders them [the Dutch] masters of all trade.

During the intense merchant agitation for freedom of trade and enterprise during the 1680s, Louis XIV's *intendant* at Rouen reported on advice given

him by two leading merchants of the city. On 5 October 1685, René de Marillac wrote to the controller-general that the two merchants had declared:

> The greatest secret is to leave trade entirely free; men are sufficiently attracted to it by their own interests...Never have manufactures been so depressed, and trade also, since we have taken it into our heads to increase them by way of authority.

One of these two merchants, Thomas Le Gendre, was supposed to have been the first, during a slightly earlier period, to have coined the famous phrase, *laissez-faire*. The great late eighteenth century *laissez-faire* thinker and statesman, Anne Robert Jacques Turgot, reports as a family tradition that Le Gendre had told Colbert: '*Laissez-nous faire*' (leave us alone). Turgot's affluent grandparents were close friends of the immensely wealthy Le Gendre and his family, and they also had mutual business dealings.

Thomas Le Gendre (1638–1706), coiner of the phrase *laissez-faire* as applied to policies and the economy, was the most eminent of a long line of merchant-bankers traced back to the early sixteenth century. A multi-millionaire, Le Gendre owned vast interests in Africa and the New World, was the leading importer of alum from the Levant, and was frequently called upon to arbitrate disputes between merchants at home and abroad.

Despite his wealth, multi-national commercial connections, and public honours, Thomas Le Gendre had what seemed to be only a negative rather than positive influence upon the French government. Time and again the Crown refused to allow him permission to send vessels abroad or to load merchandise on to foreign ships. This treatment only changed in the 1690s, when the government, engaged in war with Protestant England and Holland, made use of Le Gendre and other ex-Protestants to trade with their contacts in those countries while the war was going on.

Not only the merchants, but also some *intendants*, were joining the *laissez-faire* camp during the 1680s. On 29 August 1686 the *intendant* in Flanders, Dugué de Bagnols, wrote a bitter protest against a decree of the previous year levying a 20 per cent tariff on imports from the Levant, except for goods carried on French ships from the Middle East that had entered the ports of Marseille or Rouen. Dugué pointed out that textile firms in northern France should not have to pay more for their imported thread by being forced to buy it from inefficient French ships. And all to subsidize Marseille merchants and shippers who could not compete successfully with the English and Dutch in the Levant! Dugué generalized this insight into a *laissez-faire* position:

> Trade can flourish and subsist only when merchants are free to procure the merchandise they need in the places where they are [sold] at the lowest price, and every time we wish to compel them to buy in one place at the exclusion of all

> others, merchandise will become more expensive and trade will consequently fall into ruin.[3]

9.5 The merchants and the council of commerce

In June 1700, King Louis XIV, seeking advice from the nation's leading merchants, established a council of commerce, in which merchants of ten leading towns elected ten deputies who would serve as a kind of advisory economic parliament. The king soon came to regret this step, for the merchants' representatives seized the occasion to unleash a torrent of attack against the mercantilist polices developed by the Sun King.[4]

In particular, the enraged merchants zeroed in on the grants of monopoly privilege bestowed by the government on chartered companies. Pointing out that such monopolies restrict trade and raise prices, a number of merchants declared: 'It is a most certain maxim that nothing but competition and liberty in trade can render commerce beneficial to the State; and that all monopolies or traffic appropriated to companies exclusive of others are infinitely burdensome and pernicious'.

The most consistent and most radical of the merchants' voices was the deputy from the western port city of Nantes, Joachim Descazeaux du Hallay, a wealthy shipper and merchant and former associate of Thomas Le Gendre. Arguing vehemently against privileged monopolies that restrict trade, Descazeaux widened his argument into a general plea for freedom and free competition. Free competition, Descazeaux pointed out, benefits the public by supplying abundant goods at low prices. Even business losses, he declared perceptively, benefit the public, since they reflect plentiful production at low prices. Furthermore, liberty causes innovations and fuels the spirit of enterprise:

> Liberty is the soul and element of commerce; she excites the genius and application of merchants who never cease to meditate on new methods to make discoveries and found enterprises. [Liberty] kindles a perpetual movement which produces abundance everywhere. The moment we limit the genius of merchants by restrictions, we destroy trade.

9.6 Marshal Vauban: royal engineer and single taxer

The bluff, hearty, patriotic Maréchal Sebastian Le Prestre, Seigneur de Vauban (1633–1707), was scarcely a fervent or militant oppositionist to royal or Colbertist policies. The leading military engineer in France, the man who constructed the mighty military fortifications guarding the French state, ennobled by Louis XIV for his services, was scarcely an opponent of the Crown. Although a loyal monarchist and absolutist, Vauban, after revocation of the Edict of Nantes in 1685, grew deeply troubled at the policies of Louis XIV, especially the crippling system of taxation as well as the oppression of

the Huguenots. Upon the revocation, the naive Vauban, convinced that the good king was surrounded by evil or purblind advisers, wrote a *Mémoire* for the recall of the Huguenots' addressed to the king. Vauban pointed out that the revocation had disrupted trade and commerce, and was causing opposition to the monarchy itself.

The heedlessness of the king did not daunt Vauban, who continued to write similar pleas to King Louis. Finally, at the end of his life, in 1707, this man who had risen from birth in poverty in St Leger to become the land's greatest military engineer, a marshal and a nobleman, published his comprehensive treatise, *Projet de dixme royale* (*Project for a royal tithe*). Vauban proposed the abolition of most of the oppressive network of taxation, and its replacement by a single tax, a proportional tenth of the income of each subject. The reasoning was that the state provided the people with the service of security, and that those who receive such service should pay accordingly. One wonders, however, how anyone can demonstrate that those who receive such a service are enjoying the service in proportion to their income. Furthermore, *every other* service on the market is paid for, not in proportion to the buyer's income, but in a uniform single price, paid by one and all. The purchasers of bread, or automobiles, or stereo sets, pay a single price for each product, and not in proportion to their income or wealth. Why then do so for the alleged service of security?

At any rate, Vauban was highly effective in pointing out that the impoverished producers of the country were shouldering a large part of the burden of taxation, and was eloquent in urging their relief.

Vauban refused to publish the *Dixme royale* widely in 1707, and only circulated a small number of copies among friends. This did not save the aged marshal from Louis XIV's wrath, however. The king's censors and police condemned the book, and the publishers were hunted down and punished. Marshal Vauban died on the day the king's order was executed.

9.7 Fleury, Fénélon, and the Burgundy circle

During the early 1670s, the devout Abbé Claude Fleury (1640–1723), a young theologian, moralist, and man of letters, launched an influential opposition to the absolutism and mercantilism of Louis XIV. In a small pamphlet, *Pensées politiques*, Fleury upheld the agrarian ideal and opposed the mercantilist forced subsidization of industry. Furthermore, in a companion work, *Reflections on the works of Machiavelli*, Fleury attacked Montaigne-type scepticism, which resulted in endorsing an unrestrained exercise of power over depraved men who were virtually devoid of reason. He also denounced Machiavelli's view that politics should be divorced from ethics. Combining the latter themes, Fleury contended that man can use reason to take the path of justice and virtue, while Machiavelli's prince was a godless tyrant who

had no desire to lead his subjects to happiness. In contrast to Machiavelli's view that 'men are bad', Fleury countered sensibly that 'they are for the most part neither very bad nor very good', and that the ruler had the duty to improve their virtue and happiness.

The outstanding clerical opponent of absolutism and mercantilism in late seventeenth century France, however, was not so much Fleury as his friend and student, François de Salignac de la Mothe, Archbishop Fénélon of Cambrai (1651–1715). Fénélon led a powerful cabal at court who were deeply opposed to the absolutist and mercantilist policies of the king and determined to reform them in the direction of free trade, limited government and *laissez-faire*. By means of his post as religious instructor to the king's mistress, Madame de Maintenon,[5] Fénélon got himself appointed in 1689 as preceptor to the royal children, in particular the young Duke of Burgundy, grandson of Louis XIV, who seemed destined one day to be king. Assisted by Fleury, Fénélon made the duke into a disciple, surrounding him with ardent oppositionists to the policies of the Sun King.

In 1693, Fénélon, incensed at the continuing wars against the English and Dutch, wrote the king an impassioned and hard-hitting though anonymous letter, which he probably sent only to Madame de Maintenon. Blaming the king's evil ministers, he declared:

> Sire...for the past thirty years your...ministers have violated and overturned all the ancient maxims of state in order to raise your power, which was theirs because it was in their hands, to the highest possible point. We no longer heard of the State nor of its rules; they only spoke of the King and his pleasure. They have increased your revenues and your expenditures to the infinite. They have elevated you to the heavens...and impoverished all of France so as to introduce and maintain an incurable and monstrous luxury at Court. They wanted to raise you on the ruins of all classes in the State, as if you could become great by oppressing your subjects...

The king's ministers, Fénélon continued, only wish to crush all who resist. They have made the king's name 'odious', have wanted 'only slaves', and have 'caused bloody wars'. The wars and their attendant taxes have crushed trade and the poor, driving the people to desperation 'by exacting from them for your wars, the bread which they have endeavored to earn with the sweat from their brows'.[6]

Fénélon's *magnum opus* was his political novel, *Télémaque*, written for the edification of the young Duke of Burgundy, on whom he and his confrères pinned all the hopes for the radical liberalization of France. *Télémaque* was written during 1695 and 1696, and published without his permission in 1699. Télémaque was a mythical young prince, who travelled through the world of antiquity seeking instruction on the wisest forms of government. What

Télémaque learned were the lessons of pure *laissez-faire*. For example, young Télémaque asked Mentor, a wise man among the Phoenicians, how that people was able to flourish so remarkably in world commerce. Mentor answered, *laissez-faire*:

> Above all never do anything to interfere with trade in order to turn it to your views. The Prince must not concern himself [with trade] for fear of hindering it. He must leave all profits to his subjects who earned them, otherwise they will become discouraged...Trade is like certain springs; if you turn them from their course they will dry up. Profit and convenience can alone attract foreigners to your shores; if you make trade difficult and less useful for them they will gradually withdraw and not return...[7]

Similarly, in the land of Salente, 'the liberty of commerce was entire', by which Fénélon explicitly meant the absence of state interference in domestic as well as foreign trade. Every good entered and left the country with complete freedom; trade 'was similar to the ebb and flow of the tide'.

In his *Treatise on the Existence of God*, Fénélon attacked mercantilist nationalism by stressing the unity of all peoples dispersed over the earth. Moreover, he stressed that human reason is 'independent and above man, [and] is the same in all countries'. And just as God unites all peoples through a common and universal reason, so the sea and the earth unite mankind by providing communication and resources which can be exchanged for one another. Fénélon waxed eloquent on natural specialization and free trade uniting all peoples:

> It is the effect of a wise overruling Providence that no land yields all that is useful to human life. For want invites men to commerce, in order to supply one another's necessities. Want therefore is the natural tie of society between nations; otherwise all peoples would be reduced to one sort of food and clothing, and nothing would invite them to know and visit one another.

Following his mentor Fleury, Fénélon stressed the importance and productivity of agriculture, and attacked rulers for impoverishing the countryside through crippling taxation, and for diverting resources from agriculture to luxury products.

Fénélon was eloquent in his attack on tyranny and absolutism. Absolute monarchs, he thundered:

> take all and ruin everything. They are sole possessors of the entire state, but the whole realm languishes. The countryside is uncultivated and almost deserted, towns diminish every day, trade stagnates...The King's absolute power creates as many slaves as he has subjects...This monstrous power swollen to its most violent excess cannot endure; it has no support in the heart of the people...At the first blow the idol will fall, crack and be crushed underfoot. Contempt, hate, vengeance, defiance, in a word all passions will unite against so odious a rule.

To Fénélon, 'war is the greatest of evils', and France's pernicious policy of constant wars was the result of her nationalist and mercantilist economic policies. Cursed be those rulers, declared Fénélon, who augment their power at the expense of other nations and who seek a 'monstrous glory' in the blood of their fellow men.

To educate the young duke of Burgundy on the evils of war, Fénélon engaged a man who was called 'one of the cleverest men of the century'. François Le Blanc had published a massive treatise on money and coinage in 1690 (*An Historical Treatise on the Moneys of France from the beginning of the Monarchy until the Present*). There Le Blanc had condemned kings for engaging in debasement for their monetary profit. Fénélon commissioned Le Blanc to write a tome for the young duke on all the treaties between the nations of Europe, and the causes and consequences of all the wars that ensued, as well as the ways they might have been avoided. Unfortunately, Le Blanc died before he could finish this monumental task.

One of the key figures in the Burgundy circle was Charles de Sainte-Maure, the duc de Montausier. Montausier was governor of the royal dauphin, and Le Blanc (before taking on the book) and Abbé Fleury were both employees in the service of Montausier. Le Blanc's place in teaching the duke had been preceded by Pierre Daniel Huet, bishop of Avranches. Huet, a friend of Le Blanc, denounced French mercantilist and protectionist policies in 1694, and praised the free trade that had brought prosperity to the Dutch.

In 1711, the Grand Dauphin, son of Louis XIV, died, and the Burgundy circle was overjoyed, since the duke was now in line for the throne to succeed the aged Sun King. But tragedy struck the following year, when the duke, his wife and his eldest son were all struck dead of measles. All the hopes, all the plans, were cruelly destroyed and, Fénélon wrote to a friend in despair, 'Men work by their education to form a subject full of courage and ornamented by knowledge; then God comes along to destroy this house of cards...'.

The tragic end of the Burgundy circle illuminates a crucial strategic flaw in the plans, not only of the Burgundy circle, but also of the physiocrats, Turgot, and other *laissez-faire* thinkers of the later eighteenth century. For their hopes and their strategic vision were invariably to work within the matrix of the monarchy and its virtually absolute rule. The idea, in short, was to get into court, influence the corridors of power, and induce the king to adopt libertarian ideas and impose a *laissez-faire* revolution, so to speak, from the top. If the king could not be persuaded directly, then a new king's ideas and values would be formed from childhood by liberal preceptors and tutors.

Reliance on the good will of the king, however, suffered from several inherent defects. One, as in the case of the Duke of Burgundy, was reliance on the existence and good health of one person. A second is a more systemic flaw: Even if one can convince the king that the interests of his subjects require

liberty and *laissez-faire*, the standard argument that *his own* revenue will increase proportionately to their prosperity is a shaky one. For the king's revenue might well be maximized, certainly in the short run and even in the long run, by tyrannically sweating his subjects to attain the maximum possible revenue. And relying on the altruism of the monarch is a shaky reed at best. For all these reasons, appealing to a monarch to impose *laissez-faire* from above can only be a losing strategy. A far better strategy would have been to organize a mass opposition from below among the ruled and exploited masses, an opposition that would have given *laissez-faire* a far more solid groundwork in adherence by the bulk of the population. In the long run, of course, mass opposition, even revolution, was precisely what happened to France, a revolution from below that was partially if not largely inspired by *laissez-faire* ideals. The erudite and sophisticated *laissez-faire* thinkers of the seventeenth and eighteenth centuries, however, would have rebuffed such a suggested strategy as certainly inconvenient and probably lunatic, especially in the light of the failure of the various inchoate peasant and other *fronde* rebellions of the mid-seventeenth century. Not least of all, men of influential and privileged status themselves are rarely inclined to toss all their privileges aside to engage in the lonely and dangerous task of working outside the inherited political system.

9.8 The *laissez-faire* utilitarian: the Seigneur de Belesbat

One of the influential anti-mercantilist and pro-*laissez-faire* thinkers of the last decades of Louis XIV was Charles Paul Hurault de l'Hopital, Seigneur de Belesbat (d. 1706). The great-grandson of a chancellor of France, Belesbat was an influential member, during the 1690s, of an oppositional political salon in the Luxembourg palace in the Luxembourg gardens district of Paris. The salon met weekly at the home of Belesbat's first cousin, François Thimoleon, the abbé de Choisy.

In the autumn of 1692, Belesbat presented six memoirs to Louis XIV, copies and extracts of which were reproduced throughout France. Belesbat, too, focused on the wars with the Dutch as being the key to the economic problems of France. States became wealthy, advised Belesbat, not by seizing or destroying the commerce of other nations, but by encouraging trade that conformed to the natural interest of the nation. Instead of the French government trying artificially to capture Dutch commerce, it should allow its own agriculture to flourish.

Belesbat, too, emphasized that God had woven all peoples into an interdependent network of reciprocal advantage by means of trade and specialization: 'There is nothing that one [country] lacks which the others do not produce. ...God...having created men for society, has so well divided them that they cannot do without one another'. Restrictions on trade by government only crippled this natural interdependence; therefore, merchants should

be free to pursue 'the commerce of their choice'. The direction of economic activities in each country is usually determined by the natural resources and the type of capital investment in that area.

It is not the case, concluded Belesbat, that trade in one country benefits one party at the expense of others. Instead, the reverse is true. Moreover, freedom for merchants in domestic trade was as important as in foreign trade. The network of trade and exchange is internal as well as external. Furthermore, in a prefigurement of the Hayekian argument for the free market, Belesbat noted, as Professor Rothkrug points out, that

> Every transaction, either domestic or foreign, required complete freedom because it was carried out in special circumstances by merchants whose fortunes depended partially upon the secret and unique procedures by which each conducted his business.[8]

State regulation, then, far from protecting the market, would cripple the liberty necessary to any prosperous trade. Natural resources, Belesbat explained, are worthless without people to cultivate them and to engage in trade and commerce. Belesbat then engaged in a sophisticated analysis of the elements necessary for successful market activity:

> We call commerce an exchange between men of the things they mutually need...In both [domestic and foreign trade] the principles for success are the same. And despite the fact that there is an infinite number of ways in which to practice trade, all different, they are founded on a great liberty, large capital investment, a lot of good faith, much application, and a great secrecy. Each merchant, having his particular views, in such a way that he who profits from a sale of his products, does not prevent the one who buys them from profiting considerably by disposing of them...Thus the entire success of commerce, consisting as it does in liberty, large capital investment, application, and secrecy, prevents princes from ever intervening without destroying the principles.

Thus Belesbat, in addition to a sensitive appreciation of the role of individual entrepreneurship and energy by the merchant, and of the mutual profitability of exchange, sees, if only vaguely, that the great variety of individual trade can yet be analysed correctly in a small number of formal laws, laws or truths which apply to all entrepreneurship and exchange.

In one vital area, Belesbat advanced significantly beyond the *laissez-faire* views of Fénélon and others, who were so opposed to the luxury of the absolutist court and the *nouveau riche* bureaucracy that they wished the government to restrict luxury production and trade. Belesbat swept away such inconsistent exceptions to *laissez-faire*. The natural laws of trade, which for him encompassed considerations of utility, applied to luxury as well as to all other branches of production and trade.

Belesbat eloquently concluded from his analysis that 'It must be taken as a principle that liberty is the soul of commerce, without which...good harbors, great rivers, and...fertile [lands] are of no use. When liberty is absent nothing is of any avail'.[9] In short, the government should 'let commerce go where it wishes' (*laissant faire le commerce que l'on voudra*).

The Seigneur de Belesbat made it clear that he grounded his hope of applying libertarianism in an extreme form of early utilitarianism, a utilitarianism that he expected would be applied by the king. The king was urged to channel people's self-interest into free and harmonious activities by seeing to it that virtue is rewarded and evil (theft and other interference with trade) is punished. In that way, men would become accustomed to pursue virtue. Belesbat went very far in utilitarianism by maintaining that 'justice' was always and only utility or self-interest. A fatal weakness in his theory was the confident view that the self-interest of the king, who was supposed to put all this into effect, was always identical to the harmonious self-interest of his subjects.

Belesbat also anticipated the later view that Montaigne-type scepticism about reason, rather than providing support for going along with state absolutism, teaches men humility so that they will accept liberty and the free market. Reason, however, is not the sole, and not even the main, motive for the drive for the exercise of power: acquisition of wealth and privilege would seem to be motive enough. And since there will always be people and groups who will seek to seize and aggrandize state power for their own purposes, scepticism towards reason and a rational political philosophy seems more likely to subvert any determined opposition to statism than to hinder any statist drive for power.

9.9 Boisguilbert and *laissez-faire*

The best known of the late seventeenth century French advocates of *laissez-faire* is Pierre le Pesant, Sieur de Boisguilbert (1646–1714). Born in Rouen into a high-born Norman family of judicial officers, and a cousin of the poet–dramatist Corneille brothers, Boisguilbert was educated by the Jesuits, and eventually purchased two judicial offices at Rouen. He served there as lieutenant-general of the court from 1690 until his death. Boisguilbert was also a large landowner, businessman, *litterateur*, translator, attorney and historian.

Boisguilbert was a combination of genius and crank. His first and most important work, *Le Détail de la France* (*A Detailed Account of France*), published in 1695, was revealingly subtitled *La France ruinée sous le règne de Louis XIV* (*France Ruined Under the Rule of Louis XIV*).[10] Boisguilbert penned innumerable letters to successive controllers-general of France on the virtues of free trade and *laissez-faire*, and on the evils of government intervention. After 1699, Boisguilbert kept hammering away at controller-general

Michel Chamillart for years, but to no effect. Chamillart kept refusing him permission to print his tomes, but Boisguilbert published them anyway, finally printing his collected works under the title *Le Détail de la France* in 1707. In that year, the same year that Vauban's *Dixme Royale* was censored, Boisguilbert's work was also outlawed, and its author sent into brief exile. He returned under promise of silence, but promptly reprinted his book four times between 1708 and 1712.

Arguing for *laissez-faire*, Boisguilbert denounced the mercantilist preoccupation with amassing specie, pointing out that the essence of wealth is in goods not coin. Money, Boisguilbert explained, is just a convenience. Thus the influx of bullion from the New World in the sixteenth century only served to raise prices. If nature were left to herself, all men would enjoy plenty and the government's attempts to improve upon nature only caused havoc. The simple remedy for the manifold evils under which France was suffering was, as Professor Keohane puts it: 'for the government to stop interfering with natural patterns of trade and commerce, and *laissez faire la nature*. No superhuman effort for reform was needed, only the cessation of ill-considered effort'.[11]

Collective or social harmony, Boisguilbert wrote, arises from the efforts of innumerable individuals to advance their self-interest and their happiness. If the government removed all artificial restrictions upon trade, all participants would have incentive to produce and exchange, and self-interest would then be free to do its constructive work. Only the use of coercion or state privilege pits one self-interest against another, whereas submission to the wise natural order would ensure harmony between individual greed and universal benefit. As Keohane summarizes Boisguilbert, 'So long as we do not interfere with her [Nature's] workings, our attempts to get as much as we can for ourselves will maximize everybody's happiness in the long run'.[12] It is not, then, that individuals *aim* at the general good while pursuing their own self-interest. On the contrary, it is the glory of the natural order that, while individuals aim at their own 'private utility', they will also promote the interests of all. Although individuals may try to subvert the laws and gain at the expense of their neighbours, the natural order of liberty and *laissez-faire* will maintain peace, harmony, and universal benefit. As Boisguilbert declares, 'But nature alone can introduce that order and maintain the peace. Any other authority spoils everything by trying to interfere, no matter how well-intentioned it may be'. In the free market established by the natural order, 'the pure desire for profit will be the soul of every market for buyer and seller alike; and it is with the aid of that equilibrium or balance that each partner to the transaction is equally required to listen to reason, and submit to it'.

The natural order of the free market prevents any exploitation from taking place. Thus: 'Nature or Providence [had]...so ordered the business of life

that, provided it is left alone (*on le laisse faire*) it is not within the power of the most powerful in buying goods from some poor wretch to prevent the sale from providing the subsistence of the latter'. Everything works out all right 'provided that nature is left alone (*on laisse faire la nature*)...[i.e.] provided that it is left free and that no one meddles with this business save to grant protection in it to all and to prevent violence'.[13]

Boisguilbert also specifically demonstrated the counterproductive results of government intervention. Thus, when the French government tried to alleviate hunger by lowering grain prices and controlling trade, all it accomplished was to diminish the cultivation and production of grain, and hence to intensify the very hunger that the government was trying to relieve. Such intervention, in the summary of Professor Keohane,

> would make sense only if grain, like manna or mushrooms, sprang up without human effort, since it ignores the effects of low prices on the habits of cultivators. If government simply ceased tampering, the French economy, like a city from which a siege is lifted, would regain its health. Free to set their own price for grain, and to import grain freely throughout the land, Frenchmen would be plentifully supplied with bread.[14]

In illustrating the nature and advantages of specialization and trade, Boisguilbert is one of the first economists to begin with the simplest hypothetical exchange: two workers, one producing wheat and the other wool, and then to extend the analysis to a small town, and finally to the entire world. This method of 'successive approximation', of beginning with the simplest, and then extending the analysis step by step, would eventually prove to be the most fruitful way of developing an economic theory to analyse the economic world.

Graphically illustrating the respective workings of power and market, Boisguilbert supposes a tyrant who tortures his subjects by tying them up within sight of each other, each surrounded by an abundance of the particular good that he produces: food, clothing, liquor, water, etc. They would be made instantly happy if the tyrant were to remove their chains and allow them to exchange their surplus goods for those of one another. But if the tyrant says, no he can only remove the chains of his people when some war or other is settled, or at some future time, he is only adding ridicule and mockery to their grievous torture. Here, Boisguilbert was bitterly mocking the reply that Louis XIV and his ministers habitually made to the pleas of reformers and oppositionists: 'We must wait for the peace'. Again, like the other oppositionists, war was exposed as the standard excuse for maintaining the crippling interventions of government.

Like Belesbat, Boisguilbert had no patience with inconsistent reformers who tried to make an exception to *laissez-faire* in luxury products. To