

Political Economy

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One can only speak of Montesquieu's political economy with a certain degree of caution; nevertheless, the appellation sheds indispensable light on the development of Enlightenment social thought as a whole. In the decades subsequent to its publication, the *Spirit of the Laws* (1748) was constantly evoked in economic debates ranging from guild restrictions and foreign trade to luxury and slavery. But Montesquieu's masterwork, not to speak of the *Persian Letters* (1721) or his *Reflections on the Greatness of the Romans and of their Decline* (1734), never comfortably figures in genealogies of French political economy in the way, for instance, that the *Political Essay on Commerce* (1734), written by his friend and contemporary Jean-François Melon, or Richard Cantillon's *Essay on the Nature of Commerce in General* (written between 1730–4) generally do. Melon set forth a focused and analytically tidy set of arguments about the relationship between agriculture, manufacture, consumption and trade in the context of international economic competition; Cantillon's *Essay on the Nature of Commerce*, which was published in 1751 after circulating widely in manuscript form, is a connoisseur's piece among those interested in the first appearance of the kinds of rigorous models of value and distribution that came to define the canon of classical political economy starting with François Quesnay, Adam Smith, and stretching to Jean-Baptiste Say, David Ricardo and finally to Karl Marx.

Part of the issue is terminological: Montesquieu wrote on a number of subjects that entered into economic debates in the public sphere, but he himself was credited for giving form not to political economy but to the eighteenth century's "science of commerce." Starting in the mid-1750s, François Quesnay and his disciples – known to us as the Physiocrats, but

labeled the “*économistes*” in their time – argued the need for a new and properly scientific science of society based upon the rigorous use of language and an analytical apparatus, the *Tableau Économique*, whose results were applicable in all places and times. Physiocratic polemics against their unscientific predecessors singled out Montesquieu’s insistence that laws should vary according to a range of physical and historical factors.¹

In reality, the opposition was not so stark: Montesquieu’s science of commerce developed during the period when the private activities of economic life – hitherto confined by classical and Christian political philosophy to the domain of the household (Greek: *oikos*) – had, in the words of Hannah Arendt, become a “collective concern” necessarily attended to by the state. Jürgen Habermas ascribed the new centrality of economics in statecraft, and the salience of economic debate in the public sphere, to the rise of mercantile capitalism from the sixteenth century onward.² In calling for a “science of commerce” in the eighteenth century, economists, administrators, and statesmen responded to a couple of different issues. First, it was a question of imperative. The jealousy of trade and manufacture between states had become a question that sovereigns could no longer safely ignore; the economy had entered into the science of statecraft and therefore had to be the subject of an independent kind of inquiry. Book 21 of the *Spirit of the Laws* describes the “revolutions” of commerce all over the world and in many epochs, culminating in the rearrangement of European society and politics that followed the discovery and commercial exploitation of the New World. Henceforth, according to Montesquieu, it was commerce and not military conquest that ruled the world – a circumstance propitious for the spread of moderate government. This perspective was developed earlier in the *Reflections on Universal Monarchy* (1734). Second, it was a question of perspective: Even though entrepreneurs orchestrated the activity that generated all of this newly indispensable moveable wealth, they were themselves often egotistic and narrow in their understandings of the workings of the economy. In order to attend to the common weal, sovereigns had to adopt a general (or “political”) perspective on commerce and discount accordingly the self-interested views of merchants and industrialists.³

There is a third and perhaps paradoxical sense in which Montesquieu’s work can be understood as a prelude to classical political economy. He was not in fact primarily focused on questions of wealth and prosperity; these were only interesting to him insofar as they related to the normative problem that lay at the center of Montesquieu’s *oeuvre*: liberty. Despite

men's love of liberty, "which is found only in moderate governments" (*SL* 11.4), Montesquieu argued that "most people are subjected to [despotism]" because moderate government is a "masterpiece of legislation that chance rarely produces and prudence is rarely allowed to produce" (*SL* 5.14). Montesquieu describes the means for producing or maintaining political liberty given a set of hard environmental limits, which interact with an evolving, time path-dependent set of institutional constraints. With increasing social complexity, the "empire of climate" (*SL* 19.14) cedes to moral and historical factors: "To the extent that, in each nation, one of these causes acts more forcefully, the others yield to it. Nature and climate almost alone dominate savages; manners govern the Chinese; laws tyrannize Japan" (*SL* 19.4). For Montesquieu, as for the classical political economists of the eighteenth and nineteenth century, the most pressing political questions had not only to be understood as a function of economics but analyzed in increasingly economic terms. In Montesquieu's hands, the classical themes of political philosophy become subjects for the science of commerce.

Despotism was inseparable from poverty and material inequality: "When the savages of Louisiana want fruit, they cut down the tree and gather the fruit. There you have despotic government" (*SL* 5.13).⁴ The free governments of the ancient world in their republican phases were based upon a salutary equality of poverty, while prosperity seemed to be a desideratum of freedom in modern polities, whether republican or monarchical. In the *Persian Letters*, the traveler Usbek wrote to his friend Rhedi remarking on the monotony of despotism all over Asia, in contrast to the variety of free governments in Europe; he also noted the common factor among them: "I have often asked myself which of all types of government conforms the most closely to the dictates of reason. It seems to me that the most perfect government is that which fulfils its purpose at the lowest cost (*frais*), and therefore, that the government which rules (*conduit*) men in the manner most appropriate to their proclivities and desires is the most perfect" (*PL* 78). This observation should be compared to the ideal of "economical government" set forth later by Francois Quesnay and the Physiocratic school, which placed economic analysis and criteria at the very heart of constitutional design.⁵ From this perspective, reason is likened to a form of quantitative optimization, much in the same way that Thomas Hobbes defined reason as "reckoning."⁶ For Montesquieu the imposition of constraint is counted as a kind of expense to be minimized; in contrast, the play of men's proclivities and desires were to be reckoned as a limitless resource to be exploited in the pursuit of a

moderate and free government. What were the prospects, in modern France, of bending the “masterpiece” of moderate, feudal government that France’s absolute monarchs had inherited from the Middle Ages to the demands of commerce?

For Montesquieu and others, the answers were hardly unambiguous. Indeed, from the Regency of Philippe d’Orléans (1715–23) through the publication of the *Spirit of the Laws* (1748), economic writing in France was stimulated by a seemingly contradictory set of facts and impulses. On the one hand, between the death of Louis XIV (1715) and the outbreak of the War of Austrian Succession (1740–8), the French Regent Philippe d’Orléans and, later, the Cardinal Fleury pursued a successful policy of détente with France’s arch-rival Britain. As confusing and corruptly administered as they were on both the tax and expenditure side, French state finances would have remained more or less in equilibrium but for the regular irruption of expensive military conflicts.⁷ The Anglo-French détente therefore gave the French breathing room to pursue more productive kinds of expenditure in markets less troubled by the disruptions of war. During this period of quiet, French foreign trade – supported by monopoly trading companies and a rapidly consolidating plantation complex in the West Indies – grew smartly. Guillaume Daudin has estimated that from 1716 to 1780, French foreign trade grew at approximately twice the rate of the domestic economy as a whole (2.3 versus 1.2 percent per annum). During a similar period (1716–87), France’s trade with Europe grew cumulatively 412 percent while extra-European trade rose by 1,310 percent. Much of this increase was due to the fulgent growth of France’s Antillean island economies – the source of sugar, coffee, indigo and cotton; and it was in the period between roughly 1713 and 1740 that these islands saw their most impressive gains. Martinique multiplied its sugar production by a factor of three; and the colony of Saint-Domingue (present-day Haiti) did so by a factor of eight. Although Saint-Domingue produced approximately one third of all sugar consumed in Europe and North America, on the eve of the French Revolution (1789) it had only increased its output by about half relative to mid-1740s production; Martinique actually *declined* in absolute terms. And it was also from 1710–30 that almost *all* of the increases in productivity on these plantations occurred; from that period forward the plantation complex increased output largely by adding slaves, equipment and land – not by improving technology or the division of labor.⁸

All of this colonial trade stimulated industry in the hinterlands of growing port cities such as Montesquieu’s Bordeaux. In larger cities, led

naturally by Paris, a new consumer economy stirred demand among wider segments of the populace. Eighteenth-century observers argued – and recent statistical studies have confirmed – that foreign trade, which so dominated Montesquieu’s characterization of the modern age of commerce – contributed disproportionately to the growth of the domestic economy as a whole. Montesquieu, who managed his estates and the foreign vent of the wine produced on them, was a close observer of this expanding world of industry and trade, displaying a fascination for telling empirical details in his travel journals and commonplace books. From this perspective, Montesquieu and others were justified in their optimistic appreciation of a nation that had – at least temporarily – left behind a destructive, anachronistic pattern of territorial conquest in order to make a triumphal entry into an age of commerce.⁹

On the other hand, as Montesquieu’s *Persian Letters* strikingly illustrate, any celebration of France’s evolution into a modern, commercial nation had to contend with the debacle of John Law’s System (1716–20). Law’s Bank was established in 1716 in order to reduce France’s crushing sovereign debt in the wake of the War of Spanish Succession. The shares in the Mississippi Company and paper bank notes that were issued in profusion, Law theorized, would stimulate a self-reinforcing cycle of investment, production, and consumption in a hitherto money-starved economy; these innovations were, in part, answers to the central banks established much earlier in Britain (Bank of England, 1694) and Holland (Bank of Amsterdam, 1609). Owners of state debt eagerly accepted shares in the Mississippi Company in exchange for their bonds, in anticipation of profits from the nascent French colony in Louisiana; these profits could never have matched investors’ expectations, even at the relatively modest initial share price of 500 livres. Eventually all of France’s monopoly trading companies were consolidated into one concern, the *Compagnie des Indes*; moreover, Law’s bank assumed the reimbursement of the royal debt, the minting of coins and the collection of a number of different taxes. A speculative frenzy ensued in Paris: By the autumn of 1719, shares for the Company peaked between 9,000 and 10,000 livres. At the stock exchange on the rue Quincampoix, a hunchback earned a handsome living renting out his hump – widely believed to be a lucky charm – as an *escritoire* for the endorsement of shares.¹⁰ When this speculative bubble threatened to pop, Law imposed an increasingly brutal – some said despotic – set of measures to forestall the inevitable explosion: He devalued specie against bank notes to prop up the latter, forced people to accept bank notes at face value despite their depreciation on the market,

and reduced interest payments to state creditors – a partial default on state debt referred to now as giving investors a “haircut.” Houses were searched for hoarded bullion, and Law finished by imposing the notorious *cours forcé*, which attempted to demonetize specie by decreeing bank bills the only legal tender.¹¹ These maneuvers, and the collective trauma induced by the collapse of Law’s system more generally, helped to ensure that a central bank was not established in France until 1800, when Napoleon created the *Banque de France*.

The *Persian Letters* have been plausibly read as a *roman à clef* critically depicting the Law System and, in a more general way, France’s halting progress under the Regency from the closed, despotic world centered on Louis XIV’s court at Versailles to a freer, more open and prosperous society. Rica’s observations on the pleasing novelty of Parisian life deserve comparison with the hurly-burly of London praised by Bernard Mandeville in *The Fable of the Bees* (1714).

Vast Numbers throng’d the fruitful hive;
 Yet those vast Numbers made ‘em thrive;
 Millions endeavouring to supply
 Each other’s Lust and Vanity
 . . . They furnish’d half the Universe;
 Yet had more Work than Laborers.¹²

Lust and vanity in the “grumbling hive” of London set off a self-reinforcing cycle of consumption and industry that, in rejecting religious or republican asceticism, ensured “vast, potent and polite societies.”¹³ From the vantage point of Paris, Rica observed that while the French king had no gold mines like the king of Spain, he drew “riches from the vanity of his subjects, which is more inexhaustible than mines” (*PL* 22). Usbek marveled how “this passion for work, this passion to acquire wealth . . . affects people of every condition, from the artisan to the nobleman; nobody wants to be poorer than the man he’s just seen” (*PL* 103). John Law drew upon widespread acquisitiveness, the force of public opinion, and the culturally democratizing effects of the market cited by both Mandeville and Montesquieu to establish his system of credit and commerce. Law’s System emerged out of a wider social, political, and intellectual network – the self-styled “moderns” surrounding the countess of Verrou – devoted to bringing France out of the economic doldrums of the end of Louis XIV’s reign by re-founding the monarchy along new political and social principles.¹⁴ Rica and Usbek were both keen observers of Regency Paris, even if the elder, Usbek, was often highly ambivalent.

The gaiety of Paris after the death of Louis XIV is mirrored in the licentiousness of the seraglio after Usbek's departure for Europe. Both cases evince the disorderly freedom of a people corrupted by despotism. The campaign of terror that Usbek urges his first minister to unleash upon his wives evokes the despotic measures taken by John Law to put the genie of speculation he had released back into the bottle. The spectacle of fraud and carnivalesque social reversal denounced by Montesquieu (*PL* 138) was that of a population that had yet to be moderated by the prudent, orderly spirit of commerce.

Montesquieu was not a reactionary opponent of the "moderns" and their goals. The gentle satire (*PL* 12–13) on François Fénelon's mythical Bétique – a rustic, virtuous and, to Montesquieu's mind, impossibly ideal society situated at the moral antipodes from Mandeville's Grumbling Hive – excludes this interpretation; so too do the many odes to commerce and luxury in the *Spirit of the Laws*. Nevertheless, whereas the *Fable of the Bees* presented Mandeville's vision of a powerful and prosperous commercial society without any reference to constitutional form, virtually all of Montesquieu's reflections on this subject were refracted through this prism. The degeneration of the Law experiment into despotic illegality – like Usbek's quick regression to jealous rage under the pretext of moral purification – exemplified the persistence of the psychological and institutional reflexes of despotism, even among people (like Usbek) and societies (like France) actively seeking more modern, enlightened ways of being. But the *Persian Letters* presents a tale of caution, not of despair, and the *Spirit of the Laws* provides a framework for thinking about a modern, and necessarily commercial, monarchy in France.

The principal analytical apparatus of the *Spirit of the Laws* is the interaction between the nature and principle of diverse types of governments: "Its nature is that which makes it what it is, and its principle, that which makes it act."¹⁵ The one is its particular structure and the other is the human passions that set it in motion" (*SL* 3.1). As is well known, Montesquieu's division of regime types into monarchy, republic, and despotism diverges from the classical tripartition into monarchy, aristocracy, and democracy. This deliberate rearrangement of the classical scheme should be understood as a way of focusing attention on monarchy. Despotisms and republics are similar insofar as their animating principles – fear and virtue, respectively – must constantly be aroused (or imposed) through external applications of force. "The prince's ever raised arm" (*SL* 3.3, 3.9) instills fear in despotism through threats and punishment; in republics, when natural virtue declines, as it must inevitably over

time, individuals or ruling bodies must self-consciously “repress” (*SL* 3.4) their natural instincts in favor of the general good. In any case, “true glory, self-renunciation, sacrifice of one’s dearest interests” are “heroic virtues we find in the ancients and know only by hearsay” (*SL* 3.5). Fear certainly exists but it is a detestable basis for government, so there is only one modern type of government with a fully coherent relationship between its nature and principle: “In monarchies, politics accomplishes great things with as little virtue as it can, just as in the finest machines art employs as few motions, forces and wheels as possible” (*SL* 3.5). Monarchy, like Usbek’s perfect government, fulfills its purpose at least cost.

Montesquieu’s account of honor in monarchical societies closely resembles Mandeville’s description of the way “private vices” providentially resolve themselves into “publick benefits.” For Montesquieu, honor takes the place of self-denying political virtue, inspiring people to “the finest actions” solely from the selfish desire for social recognition (*SL* 3.6).¹⁶ Mandeville, and later Montesquieu, analyzes the possibility of turning self-love to socially useful ends in the vocabulary of moral psychology, but the key move – observing the disjuncture between selfish individual behavior and beneficial social outcomes – quickly emerged as an analytical cornerstone of political economy. Mandeville applied this logic to explain the paradox of thrift: Individual profligacy and waste leads to collective prosperity, while its opposite, individual self-denial and savings, impoverishes the nation. Later, Adam Smith applied the same logic in observing that “by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention.”¹⁷ Montesquieu’s comparison of the monarchical principle of honor to the Newtonian system of gravitation might easily be mistaken for the naturalized descriptions of the market – with their appeals to the authority of science – that became a mainstay of classical political economy: “You could say that it is like the system of the universe, where there is a force constantly repelling all bodies from the center and a force of gravitation attracting them to it. Honor makes all the parts of the body politic move; its very action binds them, and each person works for the common good, believing he works for his individual interests” (*SL* 3.7). It is significant, however, that Smith and Mandeville offered theoretical accounts of commercial societies in general, and that Mandeville even explicitly rejected the notion that

“dexterous management” of morals and markets had anything to do with the differences between monarchies and republics.¹⁸

For Montesquieu, by contrast, these questions of social order and prosperity were unintelligible outside of the framework of regime type: “Commerce,” he states apodictically, “is related to the constitution” (SL 20.4).¹⁹ The polite economy of self-regard and social distinction in the service of the common good resembled both Usbek’s ideal government and the morals of market society depicted in *The Fable of the Bees*. It is worth recalling that in the mid-eighteenth century, *most* Europeans lived in monarchies; and even when they did not, the imperial or republican polities they inhabited rested on thoroughly old regime social foundations including: privileged estates and social orders; self-governing municipalities, guilds, universities and other corporations; and inherited status hierarchies of every description. Montesquieu was not theorizing over an exception, but something resembling the contemporary norm in Europe. The ebullient economy of the Regency comforted the notion that the monarchical system was compatible with commercial success in the modern world, a fact with implications for a whole world of Montesquieu’s readers beyond France. At the very same time, the startling regression of the Law system into despotism suggested that absolutist France’s *mœurs* and institutions still had some evolving to do.

Before discussing at some length the way that constitutions could (or should) shape and limit commerce, it is useful to stipulate that the causation implied in the lapidary formulation “commerce is related to the constitution” runs both ways: Transformations in global commerce have a shaping effect on states. Montesquieu never actually used the expression *doux* (gentle) *commerce*, but his reflections on the fact that the massive expansion of commerce in the modern epoch reduced the scope for war and despotism amount, in effect, to the *doux commerce* thesis frequently attributed to him: “The natural effect of commerce is to lead to peace” (SL 20.2).²⁰ Commerce reduced warfare between mutually dependent peoples, but on a perhaps profounder level it led to a general softening of manners among commercial people: “Commerce cures destructive prejudices, and it is an almost general rule that everywhere there is commerce, there are gentle *mœurs*” (SL 20.1). The expansion of commerce – and in particular the increasing predominance of moveable over landed wealth – also acted as a brake on despotism. The Jews of Europe invented letters of exchange to put their wealth out of reach of sovereigns’ violent exactions; in a more general way, the possibility of capital flight tamed the despotic inclinations of sovereigns in need of the tax revenue

and loans provided to them by merchants: “One has begun to be cured of Machiavellianism . . . What were formerly called coups d’état would at present, apart from their horror, be only imprudences” (*SL* 20.20).²¹

New markets led to the multiplication of alternative uses of money, commodities and labor; this broke the monopoly power of property owners in general, but especially that conferred by ownership of the scarce good *par excellence* – land. The scarcity of land created chains of dependence up and down the social hierarchy: “The people comprise only slaves attached to the land and slaves called ecclesiastics or gentlemen because they are the lords of these slaves” (*EL* 22.14). The rise of mobile wealth helped to dissolve the social power of feudal lords over their serfs, and with it their political power.²² Serfdom no longer existed in western Europe, but there remained an unevenly distributed residuum of feudal obligations (e.g. rents, dues, and *corvée* duties, as well as the right to dispense justice at a price) attached to noble landholdings. Under the name of seigneurialism, the “odious” privileges enjoyed by nobles (*SL* 11.6; 2.3) continued to confer social, economic, and political power. As a noble landowner and as the former owner of a venal office, Montesquieu personally profited from seigneurialism in all these ways. He also understood the intimate connection of seigneurialism with monarchy: “In a way, the nobility is the essence of monarchy, whose fundamental maxim is: *no monarch, no nobility: no nobility, no monarch*” (*SL* 2.4, emphasis in original).²³ In this way, the rise of mobile wealth and impersonal market relations in commercial societies threatened the social foundation of the monarchy.

Different regimes were more suited to specific forms of commerce, which determined their place in the international division of labor; Montesquieu outlined a set of sociological and institutional limitations, with particular emphasis upon monarchies, that would allow commerce to flourish without exploding the rapport between nature and principle at the heart of their constitutions. Republics were more suited to the carrying trade (“*commerce d’économie*”), the widespread and frequent commerce in high-volume but low-profit goods such as grain and lumber. This unglamorous trade eventually led to the accumulation of vast sums, and their reinvestment in great mercantile enterprises like monopoly companies and colonization schemes. Whereas in monarchies merchants had to fear the sovereign’s arbitrary exactions, in a republic they believed their fortunes were “secure” from specifically political predation; they felt they could invest in necessarily mixed private-public ventures without getting burned by greedy, impulsive monarchs. Beyond state-sponsored

companies, merchants' sense of safety from kleptocracy gave them sufficient confidence to expose their fortunes to the profitable risks of trade (*SL* 20.4). Commercial nations like Holland enjoyed a virtuous cycle: The diversity of markets and their insulation from political interference made all sorts of trade potentially profitable; "sober" bourgeois could diversify their investments in a "lottery" that became progressively less risky as more capital, goods, and actors were drawn into the market. Many investors could win in this lottery even if the principal bet – a whaling or trading adventure – itself lost, because they were often co-investors in the victualing or ship-building enterprises called upon to outfit the voyage (*SL* 20.6). Densely commercial societies abounded in these kinds of positive network effects. Although he recognized that they were the prerequisites of a "great navigation," Montesquieu discouraged monopoly trading companies. Catherine Larrère has pointed out that these were precisely the institutions that were central to Law's System, and whose dolorous effects were recounted in the *Persian Letters*.²⁴ Such institutions were not only harmful for commerce, but the concentration of economic privileges in the hands of the sovereign increased the means and temptations of would-be despots. Montesquieu was sensitive to the ways in which the spread of commercial relations, even in the absence of market restrictions and privileges, could produce inequality.²⁵

In keeping with his fundamental maxim that the monarchy and the nobility formed a social and political block, Montesquieu also sought to isolate both from commerce. Partly, he wanted to protect commerce from the profitable kinds of privileges (e.g., tolls, taxes, and local monopolies) that nobles would inevitably seek to impose upon it (*SL* 20.19–20). Privileges were appropriate to land and not the necessarily flexible, mobile world of commerce where rent seeking would distort prices, dampen trade, and impoverish the common people; in so doing, they would magnify to an unacceptable degree the inequalities that were inherent in monarchical societies. Believing that the spread of commerce among the nobility would weaken the monarchy as it had in England, he also sought to protect the monarchy from the socially levelling effects of commerce.

Such restrictions would seem to make the idea of commercial monarchy a bit of wishful thinking, but for Montesquieu, France's economic inequality and social differentiation actually conferred upon it singular competitive advantages. In contrast to republican *commerce d'économie*, monarchies could succeed by pursuing luxury commerce, an essential element of eighteenth-century Europe's commercial revolution. Although clearly status-bound, France had a relatively open elite: By

1789, fully two thirds of the nobility had joined the ranks of this order within the last two centuries and one quarter only since 1700. Generally commoners found their way into the nobility through the purchase of ennobling offices after a lifetime of commercial gain.²⁶ Montesquieu was clearly alert to these facts when he observed: “When nobility can be acquired with silver, it greatly encourages traders in a position to attain it” (*SL* 20.22). This social ascension was impossible in despotic countries, which locked children into the profession, and presumably the estate, of their parents. Once the rich commoner acceded to noble status, thereby renouncing trade, he would then begin to dissipate his fortune in military commissions and other services to the state, as well as ostentatious consumption – all in search of the “honor” that is the motive force in monarchical societies. This process led to the recycling of elites and a productive sort of emulation within and between them.²⁷ Perhaps more importantly, France’s aristocratic manners created a “lively, pleasant, playful” society imbued with luxury (*SL* 19.5). The natural inequality there necessitated luxury consumption: “If the wealthy men do not spend much, the poor will die of hunger” (*SL* 7.4). Once the bourgeoisie – not to speak of servants and other strivers – adopted their social superiors’ fashions by donning cheaper imitations, the aristocracy moved on to new fashions; these novel confections were subsequently diffused beyond the court and, ultimately, France’s borders as luxury exports. This game of social emulation fed a perpetual motion machine of luxury design, production and consumption within France and in the overseas markets that avidly sought French textiles and other objects of fashion. Montesquieu seemed to believe that this emulation would help the French monarchy avoid the poverty natural in unequal societies (*SL* 7.4): “The desire to please more than oneself establishes fashions ... as one allows one’s spirit to become more frivolous, one constantly increases the branches of commerce” (*SL* 19.8).²⁸ A buoyant luxury trade was another way, in addition to the threat of capital flight, that commerce could help monarchies avoid the evils of despotism to which they were prone.

Although Montesquieu focused largely on monarchies, he also explored the way commerce compensated for the defects inherent to other regime types. Neither aristocratic nor democratic republics were to be counted moderate, and therefore free, because they functioned on the principle of virtue (*SL* 3.3–3.4, 11.4).²⁹ Montesquieu’s disdain for aristocratic republics was such that one is tempted to say that he did not believe it was a form of government at all: “The more an aristocracy approaches democracy, the more perfect it will be” (*SL* 2.3). Modern democratic

republics, on the other hand could – as Holland and England demonstrated – become moderate through the “spirit of commerce.” Although the great fortunes there seemed to offend against the requirement for equality in all democracies, “the spirit of commerce brings with it the spirit of frugality, economy, moderation, work, wisdom, tranquility, order and rule. Thus, as long as this spirit continues to exist, the wealth it produces has no bad effect” (*SL* 5.6).³⁰ The key to maintaining the spirit of commerce was first to ensure that the poor *can* work, and second that even the comparatively well off *must* work by subjecting them to egalitarian inheritance practices. Montesquieu, as Céline Spector has observed, searched out “substitution solutions” to explain how modern societies of various sorts compensated for their lack of virtue.³¹ In democracies, the prudential “spirit of commerce” substituted for the lack of virtuous self-sacrifice to be found, if it ever existed, in ancient republics.

In a similar vein, the spread of the “spirit of commerce” may substitute in many contexts for the lack of specifically political freedom. Montesquieu’s use of the word “tranquility” in connection with the spirit of commerce is telling, since he uses this term to define political liberty, which is the unique object of the English constitution: “Political liberty in a citizen is that tranquility of the spirit which comes from the opinion each one has of his security” (*SL* 11.6). In England, tranquility derived from the separation of powers, procedural guarantees in criminal law, and the protection of property. China did not set political liberty as its principal object – far from it – but rather enshrined “public tranquility” as its goal (*SL* 11.5, 19.16). This led legislators to emphasize family piety, but also, in a densely populated nation frequently teetering at the edge of subsistence, work. Although China was a “despotic state whose principle is fear,” the individual was “able to work without fear of being frustrated for his pains.” Here, the economic sphere was systematically protected from the violence inherent in a despotic political constitution; the whole great domain of producing, buying and selling became “less a civil government than a domestic government” (*SL* 8.21).³² China did not enjoy a moderate government, but society was protected, and the government thereby legitimated, by preventing the despotic logic of statecraft from touching the economy – in other words, by placing the Louisiana fruit tree beyond its reach. The resonances of the Chinese with the French case – including the problems of agriculture and subsistence – are striking.

France, England and China served as representatives of his three regime types in their modern incarnation throughout the *Spirit of the Laws*. Each in its own way responded to the same imperatives that had

produced the science of commerce in eighteenth-century Europe. That each enjoyed a prosperous economy was of secondary importance next to the fact that they exemplified alternative approaches to maintaining the moderation and tranquility he identified with political liberty through the compensatory virtues of *doux commerce*. Montesquieu's science of commerce always remained, in this sense and others, the handmaiden of his political philosophy.

Notes

- 1 See, for instance, Dupont de Nemours, "De l'origine et des progrès d'une science nouvelle [1768]," 337–8. For a discussion, Cheney, *Revolutionary Commerce*, 145–6.
- 2 Arendt, *The Human Condition*, 33; Habermas, *Structural Transformation*, 17–19 citing Arendt. Montesquieu was frequently referred to as a "philosophe politique" in eighteenth-century France, which authorizes that designation here.
- 3 On the "science of commerce," "political commerce," and "commerce in general," see Steiner, "Commerce, Commerce Politique."
- 4 Montesquieu allowed for a virtuous poverty among those, probably in ancient republics, who "distained . . . the comforts of life" (*SL* 20.3).
- 5 Quesnay, "Despotisme de la Chine [1767]." For an illuminating discussion of *gouvernement économique* and its relation to the eighteenth-century trend towards "governmentality," see Foucault, *Sécurité, territoire, population*, 108–13 (lecture of 1 Feb, 1978).
- 6 Hobbes, *Leviathan*, 22–3.
- 7 Morineau, "Budgets de l'état et gestion des finances," 334–5 and table on 325.
- 8 On trade statistics, see Daudin, *Commerce et prospérité*, 24, 210. Some of these figures are quoted as well in my "Commerce." For sugar production, see Watts, *West Indies*, 287 (table 7.3). Martinique: 5,172 tons in 1717; 15,988 in 1740–4; 10,782 in 1785–9. Saint-Domingue: 5,012 in 1710–14; 43,400 in 1742; and 68,407 in 1785–9. And on plantation productivity, Eltis, Lewis, and Richardson, "Slave Prices, the African Slave Trade, and Productivity," 684.
- 9 *Réflexions sur la monarchie universelle en Europe*, article 2, OC 2:341–3.
- 10 Accounts of maximal share prices are conflicting. Compare Murphy, "John Law et la bulle de la Compagnie du Mississippi," 14; to Velde, "John Law's System," 277.
- 11 For details of Law's manipulations and contemporary criticisms of his "despotism" and "terror," see Kaiser, "Money, Despotism and Public Credit," 16–20. For Montesquieu's judgements, see *SL* 2.4, 22.10; *PL* 132, 136, 138.
- 12 Mandeville, *Fable of the Bees*, 1:18. Montesquieu cites the *Fable*: "I will gladly conform to the ideas of the man who wrote the *Fable of the Bees*, and I will ask to be shown grave citizens, in any country, who do as much good there as their

- dandies do for certain commercial nations" (*MT* 1553). See also *SL* 7.1, 19.8, on luxury.
- 13 Mandeville, *Fable of the Bees*, 1:7.
 - 14 On the *modernes*, Orain, *La politique du merveilleux*, 103–11 and 161–71.
 - 15 For an influential discussion of the nature/principle distinction, see Louis Althusser, *Montesquieu*, chapter 3.
 - 16 Céline Spector discusses the Mandevillian aspects of Montesquieu's social theory, with reference to the influence of Pierre Bayle and Michel de Montaigne in *Pouvoirs, richesses et sociétés*, 77–87. Spector's work is an essential reference on Montesquieu's political economy. For these and other antecedents in moral philosophy to the market mechanism see Hirschman, *Passions and the Interests*.
 - 17 Smith, *The Wealth of Nations*, Book 4, chapter 2, 456.
 - 18 Mandeville, *Fable of the Bees*, 1:117 (Remark L).
 - 19 Althusser celebrates Montesquieu's *Spirit of the Laws* as a kind of near miss with a fully scientific understanding of society. His grandeur was to have theorized history as a knowable, evolving social totality; but the centrality of regime types and of the nature/principle distinction to his analysis has the effect of subordinating economics to politics. It therefore precluded, for Althusser, a true "political economy" in the Marxian sense. One can appreciate Althusser's insights without seeing Montesquieu's method as a symptom of his "feudal" social biases. See *Montesquieu*, 53–6 and chapter 6.
 - 20 See also Montesquieu, *Réflexions sur la monarchie universelle*, articles 1–6, *OC* 2:339–45.
 - 21 Montesquieu is probably wrong that Jews invented letters of exchange. See Trivellato, *The Promise and Peril of Credit*, 133–9.
 - 22 This theme was greatly expanded upon by three Scottish philosophers who avowed the influence of Montesquieu: James Millar, Adam Ferguson, and Adam Smith. See, respectively, *Origin of the Distinction of Rank; An Essay on the History of Civil Society*; and *The Wealth of Nations*. On this relation, see Cheney, "Lumières Écossaises."
 - 23 For Montesquieu as a seigneurial landowner, see Cheney, *Revolutionary Commerce*, 77–8. On seigneurialism, see Jones, *Peasantry in the French Revolution*, 42–59; and Blaufarb, *The Great Demarcation*, chapter 1.
 - 24 She adds one institution not discussed here: free ports. Larrère, "Montesquieu économiste? Une lecture paradoxale," 258–60. Indeed she has argued – very influentially for the present chapter – that books 20–3, and perhaps the whole of the *Spirit of the Laws*, should also be understood as a response to Law's System.
 - 25 Cheney, "István Hont," 890–96.
 - 26 For figures, see Chaussinand-Nogaret, *French Nobility*, 30.
 - 27 Recent research suggests that instead of recycling elites, the process Montesquieu describes simply led to a decline in the numbers and wealth of the nobility. See Dewald, "Rethinking the 1 Percent," 915–18.
 - 28 On the key role of the aristocracy, see Coquery, *L'Hôtel aristocratique*. There is considerable recent work on the product cycle in the French luxury trades, but without adequate theoretical or empirical attention to the role of French

élites and social structure. See, e.g., Sewell, “The Empire of Fashion,” 88–9; and Sonenscher, *Sans-Culottes*, 92–5.

29 *Ibid.*, chapter 7.

30 I leave out of discussion here Montesquieu’s criticism of the antisocial effects of the spirit of commerce (*SL* 2.2).

31 Spector, *Pouvoirs, richesses et sociétés*, 58.

32 In this as in so many other matters, Montesquieu seems to have been working from good information, at least so far as present-day scholarship has been able to confirm. On the Chinese “provisioning state,” relatively free markets and light taxation, see Wong, “Taxation and Good Governance in China.”