The Analysis of Interest and the History of Economic Thought

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I: The Analysis of Interest and the History of Economic Thought

James Tully described the analysis of interest as 'the major competing approach' to natural law understandings of politics in the seventeenth century.[1] If this is true, then we know comparatively little about this genre of political argument.[2] It was developed in the English context following the translation and publication of Henri duc de Rohan's *A Treatise of the Interest of the Princes and States of Christendome* in 1641, with its Preface reading: 'The PRINCES *command* the People, & the Interest *commands the* Princes'.[3] Rohan portrayed Europe as dominated by two powers, the Houses of France and Spain, while other rulers shifted their alliances as served their own interests.[4] Rohan's text was intended to aid Cardinal Richelieu's task of forming French external policy by identifying national interests and the dynamics by which they were shaped. In England, Rohan's arguments were adapted to royalist

[1] James Tully, 'Editor's Introduction', in Samuel Pufendorf, *On the Duty of Man and Citizen According to Natural Law*, ed. James Tully (Cambridge: Cambridge University Press, 1991), pp. xiv–xl (p. xiv). I am grateful to the editors and anonymous referees for useful comments on an earlier version of this paper.

[2] The key accounts are: J. A. W. Gunn, *Politics and the Public Interest in the Seventeenth Century* (London: Routledge and Kegan Paul, 1969), Chapter 1; Friedrich Meinecke, *Machiavellism: The Doctrine of Raison d'état and its Place in Modern History*, trans. D. Scott (London: Routledge and Kegan Paul, 1957), pp. 146–95; Jonathan Scott, *Algernon Sidney and the English Republic, 1623–1677* (Cambridge: Cambridge University Press, 1988), pp. 207–21. Honourable mentions are more common, such as that given by J. G. A. Pocock to 'another genre of historiography': Pocock, *Barbarism and Religion*, Vol. II: *Narratives of Civil Government* (Cambridge: Cambridge University Press, 1999), p. 276.

[3] Henri duc de Rohan, *A Treatise of the Interest of the Princes and States of Christendome*, trans. H. Hunt (London, 1641), Part I, Preface. For Rohan's life and work see J. H. M. Salmon, *Renaissance and Revolt: Essays in the Intellectual and Social History of Early Modern France* (Cambridge: Cambridge University Press, 1987), especially 'Rohan and Interest of State', pp. 98–116.

[4] See Meinecke, pp. 168–69, 173; William Farr Church, *Richelieu and Reason of State* (Princeton: Princeton University Press, 1973), pp. 352–54.

and republican purposes alike:[5] royalists asserted that only in the person of the monarch were private and public interests united,[6] while republicans demonstrated the necessary incompatibility between monarchy as a form of government and the end of realizing the common interest.[7]

Above these factional uses, a shared supposition emerged that there existed a set of interests common to European territories *as* territories, that is, as entities independent of the rulers by whom they were governed. The interests most commonly discussed were security, religion, and trade, but their precise specification was adjusted for particular circumstances, such as geography and the form of government. Actions inconsistent with these interests were construed as the consequences of misguided judgements or corrupt motivations on the part of rulers. The analysis of interest therefore made the polity and its policy both visible and calculable.

This was especially true of foreign affairs, where wars and alliances were opened up to public calculation. This fact largely explains both the popularity of the genre amongst pamphleteers wishing to guide or impugn the action of statesmen on the international stage, and the hostility of governments to such presumption from subjects. The genre was descriptive, prescriptive, and predictive. In the words of Slingsby Bethel, one of the most prolific interest theorists of seventeenth-century England, 'it is certain, that all *Nations* will increase, or decline more or less, according as their *Interest* is pursued'.[8] In relation to natural law arguments, the analysis of interest appears less as a genre of argument that legitimated rule and more as one purporting to offer practical and technical advice. Its first use was thus not to establish the rights and duties of subjects and states, but to identify the concrete actions that would serve national interests. It was thus good administration for a ruler to act in line with a territory's interests, while the neglect of them could be evidence of incompetence or corruption.

The technical and calculative character of the genre was clearly on display in the context of debates over the alliance England had formed with France against the Dutch in the Third Anglo-Dutch War of 1672–74. These debates are treated as a case study in what follows to develop an anatomy of the analysis of interest, in particular, to identify the key analytical moves that

[5] J. A. W. Gunn, '"Interest Will Not Lie": A Seventeenth-Century Political Maxim', *Journal of the History of Ideas*, 29 (1968), 551–64 (pp. 553–54); see also Gunn, *Politics*, pp. 35–54.

[6] Alan Craig Houston, *Algernon Sidney and the Republican Heritage in England and America* (Princeton: Princeton University Press, 1991), pp. 80–81.

[7] Scott, *Algernon Sidney*, pp. 208–09.

[8] Bethel, *Observations on the Letter Written to Sir Thomas Osborn, Upon the Reading of a Book Called The Present Interest of England·State* (London, 1673), p. 8.

typified the examination of England's interstate affairs. The third war against the Dutch is a worthy case study not only because at this time the genre had begun to assume a stable form, but also because the war was so widely perceived to be directly opposed to England's true interests. It will therefore be possible to see how discussion of England's interests was used to make the case against the war. This sketch will also service the second part of the essay, where the significance of this genre for the history of economic thought is explored. In short, important overlaps can be seen between the analysis of interest and seventeenth-century writings on trade. Paying attention to these convergences will make it possible to recognize the way these considerations on trade functioned as public counsel addressing the good administration of the state, in lieu of reading them as early economics.

II: The Third Anglo-Dutch War and the Analysis of Interest

The Anglo-Dutch War of 1672–74 ended almost a quarter of a century of maritime struggle between the two powers with a stalemate. As in the previous two wars, England was not able to use its naval superiority to break the Dutch position in world trade. The Glorious Revolution of 1688–89 then created a new relationship between the two nations based on checking French power.[9] Seen in this larger context, the relationship between the Dutch and England before the 1672–74 war was still unstable. English claims to sovereignty of the Narrow Seas and enforcement of the Navigation Act chafed the Dutch, while the English continued to nurse sore memories of the burning of the fleet at Chatham during the previous conflict. The situation had been steadied by the Treaty of Breda that ended the second war in 1667, along with the popular Triple Alliance between England, the Dutch, and Sweden that quickly followed the peace.[10] One of the remarkable facts of the immediate lead-up to war is the secret agreement reached at Dover between France and England in 1670. The key provisions of the agreement included a joint war – with England supported by French subsidies – that was intended to destroy the Dutch and see the English king publicly embrace Roman Catholicism. The fragility of the Triple Alliance may have been a motivation for the treaty, since the English monarch would have been isolated if the alliance fell and the

[9] Jonathan Israel, 'Competing Cousins: Anglo-Dutch Trade Rivalry', *History Today*, 38 (1988), 17–22 (pp. 21–22).

[10] C. R. Boxer, 'Some Second Thoughts on the Third Anglo-Dutch War, 1672–1674', *Transactions of the Royal Historical Society*, 19 (1969), 67–94 (pp. 70–71).

Dutch made a separate agreement with France.[11] Whatever the reasoning, the war did not go well for Charles II, who was ultimately obliged by Parliament to make peace and abandon his alliance with Louis XIV.

A number of factors can be nominated as turning Parliament's attitude against the war. One was that the alliance with France came to be perceived in connection with the danger of popery at home. Two days before he declared war, Charles made a Declaration of Indulgence that suspended the laws regulating Catholic and Dissenting worship.[12] In addition, James, Charles's brother, married the Catholic Mary of Modena, a match widely perceived to have been contrived by French interests.[13] Public knowledge of James's own Catholicism and the unfavourable perception of French luxury and mistresses at court meant that, by the end of the war, the idea that England was fighting for Catholic interests had acquired wide currency. A second key force shifting opinion was the unfolding of events abroad, which made it hard to portray the Dutch as ambitious upstarts with credible designs on empire. The early success of the French army in 1672 saw the dikes opened in a desperate attempt to slow the onslaught against Holland and Zeeland. Perhaps more significant was the lynching of the brothers de Witt at The Hague in 1672. This incident allowed William of Orange – the nephew of Charles – to take control of the war effort.[14] Finally, the seeming reluctance of the French fleet to engage the Dutch despite favourable conditions caused outrage and gave rise to the idea that the war was 'part of the French grand strategy to achieve control of the sea', by setting the two maritime powers at mutual destruction.[15]

An interest pamphleteer could select the elements of this context that they wished to emphasize and assemble them into a case for the probity or injudiciousness of the war. It was a mode of argument that did not require a specialist training but simply the ethos of the public-spirited counsellor. We find the non-conformist and merchant Slingsby Bethel, for example, rising to prominence in the late 1660s and early 1670s with a series of interest pamphlets. His general concern was to point out the danger of France and emphasize the importance of maintaining the Protestant interest in Europe.

[11] Ronald Hutton, 'The Making of the Secret Treaty of Dover, 1668–1670', *Historical Journal*, 29 (1986), 297–318 (p. 304).

[12] J. R. Jones, *Charles II: Royal Politician* (London: Allen and Unwin, 1987), p. 97.

[13] Steven Pincus, 'From Butterboxes to Wooden Shoes: The Shift in English Popular Sentiment from Anti-Dutch to Anti-French in the 1670s', *Historical Journal*, 38 (1995), 333–61 (pp. 352–53).

[14] Boxer, pp. 81–82.

[15] Pincus, p. 357.

We can therefore note a straightforward correlation between Bethel's writing and his social and ideological position. It is more important, however, to note the rhetorical force that the analysis of interest derived from its purported ability to identify objective mistakes in state management. A sense of this is conveyed in the title of Bethel's *The World's Mistake in Oliver Cromwell*, where the Protector was castigated for attacking Spain, thereby tilting Europe's balance in favour of France, England's true commercial rival.[16]

More powerful than calling attention to mistakes in administration was the claim that the national interest had been set aside in favour of private ambitions. For this reason the genre was perfectly suited to propaganda purposes, and here the figure of Peter Du Moulin must be mentioned. He was a French Huguenot naturalized by Act of Parliament in 1664, and his skill with languages saw him employed on diplomatic missions in the service of Charles II, under the patronage of Arlington, Secretary of State. Du Moulin ultimately fell from favour with Arlington but, thanks to his knowledge of English politics, later gained employment with William of Orange as an analyst, propagandist, and spy master.[17] It was in this capacity that he wrote a brilliant piece of propaganda, *England's Appeal from the Private Cabal at Whitehall to the Great Council of the Nation*. It drew attention to the damage caused to England's interest by the French alliance at the same time as the key ministers involved were accused of popish conspiracy. Its intent was to dissuade Parliament from granting Charles money to continue the war, thereby forcing England out of the war and allowing the Dutch to focus on combating the French.[18]

This is the sharp end of the genre, since specific holders of office could be impaled for incompetence or corruption, and all on the basis of what was an analysis that any moderately informed and literate citizen could produce. It is for this reason, we might suppose, that the government was so desirous of outlawing public comment on state affairs in general and invalidating the analysis of interest in particular. The reformed Parliamentarian Henry Stubbe was commissioned to write a reply to a Dutch pamphlet that pleaded for the common religious interest. In Stubbe's address to the reader we are told that the 'Interests of Princes *are not* proper *subjects for* ordinary pens'.[19] Later in

[16] Slingsby Bethel, *The World's Mistake in Oliver Cromwell* (London, 1668). For Bethel's life see the excellent entry by Gary S. De Krey, Bethel, Slingsby (bap. 1617, d. 1697), *Oxford Dictionary of National Biography* (2004).

[17] K. H. D. Haley, *William of Orange and the English Opposition, 1672–4* (Oxford: Clarendon Press, 1953), pp. 12–29.

[18] Haley, pp. 88–111.

[19] Henry Stubbe, *A Justification of the Present War Against the United Netherlands* (London, 1672), Preface.

the text we learn why: because it is the '*petulant* humor of this age' for every person to think they can and should examine the actions and question the prudence of their governors, but they do this without 'understanding the *prospect* those *elevated spirits* have concerning such affairs, or the *grounds* and *circumstances* by which they regulate their *Councils*'. It follows that the very genre embodies a terrible mistake, because it would let affairs of state be decided by no better '*cognisance* then what ariseth from a *vulgar Brain*, a *narrow prospect* of things, and *popular Reports* and *Suggestions*'.[20] Against the genre's supposition that foreign affairs were susceptible to calculation by public counsel, here we see the court covering national interest with the mists of statecraft.

What was the intellectual apparatus that the analysis of interest made available to this counselling public? We can answer this question by noting three key calculations that the genre made possible. The first was to present the interests of a given polity as a finite list, and then open each to deliberation and comparative evaluation. Nearly constant interests were religion, trade, and the balance of power; liberty, wealth, and reputation were also familiar. With the nation's interests identified, the priority of one interest over another could be asserted and hence the absolute necessity of its preservation.

Religion is nominated for this role in a translation of a Dutch tract from 1673, *The Interest of These United Provinces*:

> If the true Religion which we profes, be not the Polar Star, by which those that sit at the Helme steere the Ship of the Common-wealth; what can we expect, except we be Atheists, and shut out God and his safeguard, but to suffer shipwrack?[21]

Given the importance of religion as a state interest, France and England could then be assessed in terms of who should be preferred as an occupying power. France was likely to grant the Dutch some liberty of religion, but tolerance would not be extended to those outside the reformed religion, such as Anabaptists, while justice would be irregular and the true faith eroded.[22] As for the English, the vexed question of Charles II's religious convictions – 'what the King is in his heart' – was said to be impossible to know to all but

[20] Stubbe, pp. 9–10.

[21] Joseph Hill, *The Interest of These United Provinces. Being a Defence of the Zeelanders Choice* (Middelburg, 1673), Section II, p. 5. (Note: the text is unpaginated but divided into sections. The page numbers cited here are thus notional, starting from Section I.)

[22] Hill, Section III, pp. 6–8.

God but, more importantly, the religion of his territories made it unlikely that he could establish popery in the provinces.[23]

The presentation of interests in this text was mildly idiosyncratic, since its analysis is organized around the question, 'would it be better for the provinces to be under France or England?'. More generally, though at times we find either the interest of security or religion emphasized over the other, they were more commonly made to pull in the same direction without their relationship forming a point of discussion. This is not surprising given the context of confessional rivalry in seventeenth-century Europe. There was, however, an implicit tendency within interest theory to undermine the status of religion as the paramount end of political community. One reason is the fact that religion appeared as only one interest among others in a list of state interests.[24] This reflects the point made earlier, that interest theory treated the territory as an entity to be managed in its own right and hence it displayed a managerial or technical character as against the more explicitly normative bent typical of arguments relating to political legitimacy. Slingsby Bethel, for example, nominated common religion as merely the fourth subsidiary reason for a firm alliance with the Dutch.[25] In a later tract, however, he made religion the first interest of a nation, followed by reputation, peace, and trade.[26] Similarly, when the Dutch merchant Hans tells the English gentleman

[23] Hill, Section IV, pp. 8–10. Note Ronald Hutton's comment that '*Cuius regio, eius religio*'. The formula which offered peace to Europe in the immediate aftermath of the Reformation had assumed by the next century the most sinister possible connotations', and Hutton's assessment that 'Charles was, in common with the overwhelming majority of seventeenth-century European rulers, somebody who saw religious questions primarily in terms of *raison d'état*, of their applicability to the preservation and furtherance of his power at home and [a]broad': Hutton, 'The Religion of Charles II', in *The Stuart Court and Europe: Essays in Politics and Political Culture*, ed. R. Malcolm Smuts (Cambridge: Cambridge University Press, 1996), pp. 228–46 (pp. 228, 245).

[24] Steven Pincus preferred to construe the language of interest as an expression of disenchantment with confessional politics: Pincus, 'From Holy Cause to Economic Interest: The Study of Population and the Invention of the State', in *A Nation Transformed: England After the Restoration*, eds Alan Houston and Steven Pincus (Cambridge: Cambridge University Press, 2001), pp. 272–98. The difficulties involved with making this strong claim are identified by Jonathan Scott, *England's Troubles: Seventeenth-Century English Political Instability in European Context* (Cambridge: Cambridge University Press, 2000), pp. 350–54. Note also that in 1750 religion could still be nominated as the first interest of a nation, and supporting the national confession could be described as 'a principal Point in the Policy of most of the *European* Powers', see John Campbell, *The Present State of Europe* (London, 1750), pp. 10–11,

[25] Slingsby Bethel, *The Present Interest of England Stated. By a Lover of His King and Countrey* (London, 1671), p. 3

[26] Slingsby Bethel, *The Present State of Christendome and the Interest of England, With a Regard to France* (London, 1677), p. 4.

George in an anonymous 1672 dialogue that the Dutch are 'your brethren, of the same Reformed Religion', with whom the English should therefore join against their common confessional enemies, George simply asks 'what if we cannot perceive a greater and more dangerous Enemy to our Nation, then your Countrey-men?'[27]

A second reason why the analysis of interest contained deconfessionalizing tendencies was the importance given to state security, such that survival could feature as a precondition for confessional perfection. In the case of England, this security imperative was often treated as an inherited role: '*England* hath been the Counter-balance, which time out of mind hath held the Scales between the great Monarchies of Europe, for the safety of the rest';[28] '*Henry* the second had better success ... with a skilful Hand holding the Ballance';[29] 'This hath been a fundamentall maxim in the Governement of *England*, to keep the ballance even betwixt the two Crownes of *Spaine* and *France*'. In doing this, England had served not only its own but also 'the Common intrest of *Europe*', which was to avoid universal monarchy, regardless of the state of confessional rivalries.[30]

One of the most complete statements of what the balance of power involved was provided by Bethel:

> As the Foreign Interest of a Nation looks outward, and in order to its good and preservation, regards the actings and designs of forreign Princes and States (especially their Neighbours) endeavouring to reduce them to that which may most agree with their own good and safety; so it is the Interest of the King and Kingdom of *England*, to make use of the advantages their strength and situation gives them, in weighing the Imperial powers of Christendome, keeping the ballance, by adding to, or diminishing from any of them, as best suits with Justice, and their own Interests.[31]

Bethel's reference to managing the balance 'by adding to, or diminishing from any of them' should be paused over. The means of making such adjustments were not limited to striking alliances and waging wars, but also included trade policy.

[27] [Anonymous], *A Familiar Discourse, Between George, A True-hearted English Gentleman: And Hans, A Dutch Merchant: Concerning the Present Affairs of England* (London, 1672), p. 4.

[28] William De Britaine, *The Interest of England in the Present War With Holland* (London, 1672), p. 20.

[29] Peter Du Moulin, *Englands Appeal From the Private Cabal at White-hall to the Great Council of the Nation, the Lords and Commons in Parliament Assembled* (1673), p. 4.

[30] Hill, *The Interest of These United Provinces*, Section XI, pp. 92–93.

[31] Bethel, *The Present Interest of England Stated*, pp. 27–28.

To understand this conceptualization and the practices it gave rise to, it is crucial to recognize that trade was understood as essential to the strength of the state. It was described as the '*vena porta* of the Kingdom, and without which the Limbs and Members thereof must be feeble and weak'.[32] The reason is that it was money, men, sailors, and munitions that trade brought into the body of the state, and these are the elements and means of supporting armies and navies. On this basis, trade could even be elevated to the status of 'first Domestick interest; for as self-defence is the chief interest of every Creature, Natural or Politick',[33] so no nation could be strong enough to defend itself without a flourishing trade. This is a point to be returned to in the following section.

The perceived trade-strength nexus explains why the ill management of a state's trade and commerce portended its demise:

> the *French* set up for an *Universal Commerce* as well as for an *Universal Monarchy*. And in effect, the One is but a necessary consequent upon the other. Nor is it enough, it seems, for us to be design'd upon by them, without lending them our own hands towards the Cutting of our own Throats: *For upon a sober and Judicious Estimate, we are Losers by our Trade with* France, *at least a Million, and a half per Annum*.[34]

In relation to the Dutch, their fishing on the British Seas was frequently represented as the basis of their greatness. It followed that tolerating this situation was folly, as John Smith put it two years before the war: 'if care be not taken of this their growth, they will within few years not only be Master of our Seas but of our Trades too.'[35] In sympathy, another author implored the king to engross this trade for the English alone, and estimated that this action would deprive the Dutch of 10,000 vessels, employment for more than 300,000 people, the bulk of their revenue and customs, and the trade of the Indies. All of this strength would be gained by England along with a 'Nursery of Mariners and Navigators' for naval service and voyages of discovery.[36]

Reputation assumed more importance than usual in the context of the Third Anglo-Dutch War because it was used by the English as one of the justifications for opening hostilities. Princely honour was said to concern 'not only the *National Renown* and *General Commerce*, but the *Welfare* and *Being* of each *Particular Man*', because princely honour underwrote the loyalty of

[32] De Britaine, pp. 11–12.

[33] Bethel, *The Present Interest of England Stated*, p. 1.

[34] Bethel, *The Present State of Christendome*, p. 11.

[35] John Smith, *England's Improvement Reviv'd: Digested Into Six Books* ([London], 1670), p. 263.

[36] De Britaine, pp. 17–20.

subjects and military 'Discipline and Courage'.[37] It was therefore necessary to restore the damage caused to Charles's honour by Dutch pamphlets, which charged the King with '*Injustice*, *Dissimulation*, and *Piracy*', while his court was called 'a Company of *Stupid Fellows*'.[38] On the other side of the debate, Bethel was keen to highlight the damage done to the English reputation by French political literature, wherein the English were said to be '*a People without Friends, without Faith, Religion, Honesty, or Justice*'.[39] More generally, though, reputation was not considered to be an interest of the first order.

The preceding can now serve as an account of the first calculation that the analysis of interest made possible – identifying a discrete list of state interests and then determining their relative priority. From here a pamphleteer could make a range of assessments regarding the course of action necessary for a state to secure its interests, including which foreign power to submit to, who should be perceived as endangering the balance of power, and the type of trade policy necessary to augment military power. The second instrument now to be considered correlated the real interests of a state with its actual behaviour and then explained any divergence. Ultimately, there were two reasons why a state might behave inconsistently with its true interests. One was that the rulers of a state misjudged its interests, while the other was that rulers pursued their own private interests at the expense of the state.

False interests could be pursued from honest error, as when a change in the standing of world affairs had not been perceived. In this case, a polity was guided by strategic calculations that were outdated. The decline of Spain and the rise of France was a common example given in this context, and it was near Bethel's mind when he wrote that '*it is matter of the greatest concernmens to a prince ... of not being misled by former examples, which are to Politians, as of old, the Stars to Navigators, rightly understood, the best Guide, and mistaken, the most dangerous*'.[40] A second type of honest error arose from poor or inadequate reasoning. In the example below, at issue is the failure to think through the consequences that would follow for the balance of power if the Dutch were destroyed:

> many are apt to look upon this War through a kind of Cloud and seem to be unwilling to have a distinct Notion of the ill consequences with which it is attended, but reflect only in General and confusedly upon a supposed destruction of the *Dutch*, & seem imaginary Advantages accrewing to us

[37] Stubbe, *A Justification of the Present War*, pp. 1–2.

[38] Stubbe, *A Justification of the Present War*, p. 8.

[39] Bethel, *The Present State of Christendome*, p. 5.

[40] Bethel, *The Present Interest of England Stated*, Preface.

> by it which they cannot instance in; much less demonstrate upon any Rational Grounds.[41]

Good reasoning could also be impeded by the influence of passions and lusts, pride, and avarice, something kings were portrayed as especially susceptible to.[42] It is for all these causes that a state might have pursued a mistaken interest, and hence it could be said that nothing was 'more ordinary in the world then *gross mistakes* in the *Interest* of Countries'.[43]

The second general explanation as to why a state might be directed away from its true interests was because its rulers or counsellors were pursuing their own. Here we often find the precautionary move being taken to locate the source of corruption in the king's counsellors, and not the king himself. Du Moulin declared this intention in his title: *England's Appeal from the Private Cabal at White-Hall to the Great Council of the Nation*. The key claim is that the Cabal had used many arts to 'deceive his Majesty; And to bring him by degrees into a likeing of their War'.[44] That this war was directly contrary to England's interests is something of which Parliament would have gladly advised him, if the king were not constantly advised against calling the 'Great Council' of Du Moulin's title. For its part, Parliament took up the idea of corrupt counsel at odds with the national interest to question the war, and this is the context for the Country Party's hostility towards the Catholic influence at Court. Charles thus faced great difficulties in 1673 when trying to secure supply for further campaigning. In the parliamentary sitting in the first part of the year, the primary issue seems to have been the Declaration of Indulgence. But during the recess between March and October the French alliance and the Catholic threat at Court had come to be seen as a pair, thanks at least in part to Du Moulin's clever pamphlet. The result was that Parliament had firmed against the war, and Lord Cavendish complained that '[h]ere is Money asked of us to carry on a war we were never advised about, and what we have given is turned to raising of families ... [t]he nation's interest is laid aside for private interest'.[45]

In this denunciation of the war, the rhetorical power of the analysis of interest is on full display. The exercise of a prerogative power to enter a war

[41] Du Moulin, *Englands Appeal From the Private Cabal*, p. 30.

[42] Robert McWard, *The English Ballance, Weighing the Reasons, of Englands Present Conjunction With France, Against the Dutch* (1672), p. 4.

[43] Bethel, *Observations on the Letter Written to Sir Thomas Osborn*, p. 10.

[44] Du Moulin, p. 45.

[45] Anchitell Grey, *Debates of the House of Commons, From the Year 1667 to the Year 1694*, 10 vols (London, 1763), II, 200.

was not only portrayed as mistaken in view of the real interests of England, but was explained as the result of corrupting influences close to the King. To reverse the decision by making peace with the Dutch and breaking the alliance with France was said to be the only action consistent with good government. All this could be claimed not on the basis of partisan views but from a sober examination of the state of European affairs and English politics. The analysis of interest was thus a form of public counsel that guarded against the dangers administration faced from misperception, mistake, and corruption.

There is a final move to observe interest pamphleteers making in their tracts, one that gave the genre a degree of calculative sophistication. This was to examine the likely effects of predicted or actual state behaviour for the balance of power in Europe. Bethel, for example, declared that together the English and Dutch were 'Masters of Naval strength', and this union was unassailable by any combination of European powers. The French could therefore never achieve universal monarchy while a 'true intelligence' was maintained between the two maritime powers, for together they could always reduce France at sea and therefore in commerce, abating her land power in consequence. If, however, France were to gain the ports and provinces of the Netherlands, they would obtain the strength and position to achieve universal monarchy.[46] Elsewhere, Bethel made the same bleak prediction, this time conditional on the French establishing a strategic position in the Northern Seas.[47] A more elaborate series of scenarios was given in *The Interest of These United Provinces*. There the consequences of the Netherlands falling under French control are traced out to include Spain, Sweden, Denmark, Portugal, and various colonies, and in terms of trade patterns, taxes, the supply of men, geography, and other factors. The relevant maxim was thus that 'it is not enough to consider power absolutely, but allso the management thereof'.[48]

An added element of predictive capacity was provided by combining forecasts of balance of power dynamics with knowledge of the particular characteristics of a nation, often referred to as its 'situation'. The Dutch were said to be constrained to maintain an alliance with Denmark, Persia, and the Turks, to vend their commodities and nurture their trade interest, and to keep a close friendship with Poland, since they were reliant on Poland's corn exports in view of the limited agricultural capacity of the territory.[49] The

[46] Bethel, *The Present Interest of England Stated*, pp. 27–31.

[47] Bethel, *Observations on the Letter Written to Sir Thomas Osborn*, p. 11.

[48] Hill, *The Interest of These United Provinces*, Section 7, pp. 39–44. Bethel provides a similarly grand analysis in *The Present State of Christendome*, pp. 19–26.

[49] William Aglionby, *The Present State of the United Provinces of the Low-Countries* (London, 1671), pp. 127–30.

French, by contrast, were given to be warlike because of the extent of their territories, the fruitfulness of their soil, prodigious revenues, unchecked form of rule, and the weakness of their neighbours. Their only soft spot was naval power, which thus stood as a prime interest and made their actions in this regard predictable.[50]

Drawing this discussion together, we can see that the war gave rise to a sophisticated literature on England's interests. To the irritation of Charles and his court, the genre was used to portray his government as inept, corrupt, and endangering the balance (and hence the liberties) of Europe. The counter move was to deny the appropriateness and veracity of the genre, and to nevertheless use its arguments to suggest that the war was indeed in England's interests. As it happened, the near destruction of the Dutch and a rising fear of popery made this case untenable. The more general point to take from this survey is that this counselling literature was able to proffer confident assessments of national interests through its reliance on three calculations: the interests of England and their relative priority; the causes of their neglect, whether error or something more sinister; and predictions regarding the future balance of power in Europe. In this way the core of statecraft was not only brought within reach of public debate but given up for calculation. Discussion now turns to consider how this genre might be related to the history of economic thought.

III: The Analysis of Interest and the History of Economic Thought

Nicholas Barbon, in his *Discourse of Trade* of 1690, wrote that Machiavelli '*doth not mention* Trade, *as any way interested in the Affairs of State*'.[51] The claim was close enough to the truth,[52] but the more important point is to understand why Barbon would have perceived trade as an affair of state and so was led to see Machiavelli's failure to discuss trade as a shortcoming of his work. The reason is that trade and state power had come to be seen as closely intertwined. From Barbon's idiosyncratic presentation of this theme, the reader learns that the stones and wooden engines that had been the ammunition and artillery of the Greeks and Romans had fallen out of use following the invention of gunpowder and been replaced by lead and cannon. The old weapons were easily procured and fashioned, while the new instruments were made

[50] Du Moulin, *Englands Appeal From the Private Cabal*, pp. 3, 6–7.

[51] Barbon, *A Discourse of Trade* (London, 1690), Preface.

[52] Machiavelli's passing comments are noted in David Armitage, *The Ideological Origins of the British Empire* (Cambridge: Cambridge University Press, 2000), p. 147, n. 5.

from materials – such as iron and brimstone – that were not found in all countries and so often needed to be imported. Hence, 'Trade *is now become as necessary to Preserve Governments, as it is useful to make them Rich*'.[53] In other words, trade provided the very materials that constituted state strength, and it was therefore integral to security. We encountered a variation on this idea earlier in the analysis of interest, when trade was described as the '*vena porta* of the Kingdom', and this explained why a writer like Bethel was prepared to nominate trade as the 'first Domestick interest'. The crucial implication was that when states grew from trade they were also growing in strength.

Here the analysis of interest and writings on trade meet in the presupposition of the trade-strength nexus. There are two further points of overlap to note in Barbon's text. The first is that, like interest pamphleteers, Barbon claimed to serve the national interest through his written counsels. His contribution was to uncover the nature of trade as a whole, for his compatriots had only managed to perceive the nature of particular parts of trade, either from poor reasoning or private interest.[54] Here, then, the accurate assessment of the public good is said to be impaired by the same problems we have already encountered – honest error and corruption. While the analysis of interest was unique in incorporating systematic errors into its predictive apparatus, the errors it posited were of a regular kind for seventeenth-century counsel on state business. A further point of contact is professions of publicly spirited counsel that concealed private interest. Barbon wrote that 'Building is the chiefest Promoter of *Trade*', and for proof we need only have looked at the rich and powerful Dutch, who 'Incourage the Builder, and at the Charge of the *State*'.[55] Nominating a particular trade as the most beneficial to the state and hence as deserving special treatment, as Barbon had done, was a common discursive move in writings on trade, but it looked awkward for Barbon, who was a prominent builder in London.[56] As with Slingsby Bethel's pro-trade and pro-Protestant advocacy, we can thus note convenient correlations between Barbon's social position and his counsel.

Taking these points together, both genres of counsel interlocked by taking the good administration of the state in a particular domain as their declared object, and in presupposing that the state existed in an international terrain populated by other, threatening polities. In such an environment the

[53] Barbon, Preface.

[54] Barbon, Preface.

[55] Barbon, p. 68.

[56] William Letwin, *The Origins of Scientific Economics: English Economic Thought 1660–1776* (London: Methuen, 1963), pp. 49, 59.

state was obliged to survive as best it could by nurturing its strength (the key aim of writings on trade) and using this strength judiciously when required (the key aim of the analysis of interest). By adopting this perspective on the relationship between the analysis of interest and writings on trade we can make better sense of the latter. That is, when the analysis of interest is kept in view, discourses on trade do not appear as the work of proto-political economists groping towards theoretical insights to be realized in the next century and more. Instead, these early writings on trade will be seen in relation to the presuppositions that international conflict was inevitable, that state power was crucial to surviving such conflict, and that trade carried the elements of state strength. To put the same point differently, the relevant context for writings on trade is not the development of a science of production and distribution, but the administration of the fiscal-military state. Thus, one would expect the analysis of interest to be porous to writings on trade, and to function in a complementary way as a species of public counsel regarding the good management of the state.

To test out these expectations it is worth considering a classic text, Thomas Mun's *England's Treasure by Forraign Trade*. Mun was a well-known merchant and member of the committee of the East India Company, for which he was an effective advocate in several pamphlets. Published posthumously by his son some two decades after his death, *England's Treasure* enjoyed success into the mid-eighteenth century.[57] In this text we find early signs of the trade-strength nexus at work, for in his prefatory address Mun described money as an object of 'Policy', essential to both the preservation and enlargement of the commonwealth.[58] A commonwealth should concern itself with treasure because it represented the sinews of war: it 'doth provide, unite & move the power of men, victuals, and munition'.[59] Mun concluded his work by invoking a 'Principal in Reason of State', that whatever supports the commonwealth should be nursed and protected, in this case, foreign trade.[60] Mun may have been a merchant with a clear motive for counselling, but his counsel was nevertheless framed with reference to state power.

Given a subscription to the interrelationship between trade and state power, it is understandable why the central concern of Mun's tract was how a kingdom could grow in wealth and treasure; to do so it must 'sell more to

[57] Perry Gauci, 'Mun, Thomas (bap. 1571, d. 1641)', *Oxford Dictionary of National Biography* (2004).

[58] Thomas Mun, *England's Treasure by Forraign Trade* (London, 1664; repr. Oxford: Basil Blackwell, 1928), p. viii.

[59] Mun, p. 70.

[60] Mun, p. 88.

strangers yearly than wee consume of theirs in value'. The difference in the value of wares must by necessity be returned to the kingdom in treasure. The relevant analogy was with the estate of a private man who had an annual revenue of a thousand pounds but lived on only five hundred, and thus his estate grew by the remaining five hundred each year.[61] This is a version of the infamous balance of trade doctrine, and Mun entered into diverse topics of debate on the basis of this maxim. He confidently denied, for example, the opinion that exporting money harmed the kingdom. If bullion were exported in exchange for goods that were then sold at a profit, then the nation's balance would be favourably improved, which ultimately governed the flow of treasure.[62] It is in the context of this concern with the balance that we find Mun elaborating a proposal for the state's balance of foreign trade to be calculated by His Majesty's customs officers, to allow 'the State to discover how we prosper or decline in this great and weighty business'.[63]

Turning now to inter-state rivalry, another point of exchange with the analysis of interest can be discerned. Mun's analysis was developed through a comparison of the two sources of wealth, natural (from the land and sea) and artificial (from manufacturing and trading), which was then doubled by a comparison between England and the Netherlands. England was rich in natural wealth, large, well provisioned, and ably situated for defence. But all this good fortune had made the people lazy, luxurious, and weak. Dutch territory, by contrast, was small and lacked natural wealth, which had forced its people to grow wise and industrious. The chief point of application for these virtues, and the basis of Dutch strength and wealth, was the fishing they carried on in English seas. This crucial trade supported Dutch shipping, royal revenues, and the population's subsistence. Mun's counsel turned on the fact that the right to fish in these seas was a matter of might.[64] He advised that while the Dutch were in league with England and at war with Spain it would be England's good policy to permit the Dutch access to this source of strength. If, however, the Dutch were to be subjected to Spanish rule then England's good policy would clearly be reversed. In fact, even the belief that the Dutch were England's natural ally stood in need of inspection, for foreign observers were said to wonder that the English only looked fearfully on Spanish and French power. After all, it was the Dutch who most challenged

[61] Mun, p. 5.

[62] Mun, p. 16.

[63] Mun, p. 83.

[64] Mun, pp. 71–75.

England in navigation and trade, and who nursed an ambition for greatness on the world stage.[65]

Notice how Mun's counsel on Anglo-Dutch relations, where trade and friend-enemy assessments were dynamic and mutually conditioning, looks remarkably like the analysis of interest. What is missing is the actual language of interest, as we would expect given that Mun's pamphlet was perhaps written in 1630.[66] Further research might therefore reveal that there was an analogous tradition of argument relating to interstate relations that operated in England before it was amalgamated with – or replaced by – the analysis of interest.

The notion of complementary genres of public counsel that share state administration as their common denominator can also be explored in relation to political arithmetic, which referred to the attempt to anatomize and enumerate the sources of a state's strength and wealth. One of the perceived sources of error in calculating the national interest related to shifts in the balance of power, as when France eclipsed Spain as the European power most likely to pursue universal monarchy. The trouble arose from the difficulty of assessing the relative strengths of rival states – of knowing when France had surpassed Spain in power and hence when the balance had shifted to France. This is where the utility of political arithmetic as a calculating aid for statesmen becomes evident, as it reduced balance of power assessments to an arithmetical operation.

This, at least, is how Charles Davenant portrayed the role of political arithmetic in his *Discourses on the Publick Revenues*. Davenant acknowledged the foundational contribution of William Petty to the new science, but claimed that Petty had over-estimated the strength of England and under-estimated the strength of other states. One of the proximate causes of Petty's errors was that the increasing power of France stood as a 'very unpleasant Object for the Parliament' that 'did disquiet the Mind of King *Charles* II'. The fact that Petty's calculations suggested a minimal disparity in power between France and England justified the actions of Charles when he breached the Triple Alliance and joined with France against the Dutch, an act that was 'pernicious to the Interest of *England*'. This led Davenant to suggest that, on the issue of the strength of France, Petty 'rather made his Court, than spoke his Mind'.[67] Here, again, corruption is located in the figure of the counsellor and not the king.

[65] Mun, pp. 76–82.

[66] Joseph Schumpeter, *History of Economic Analysis* (London: Allen and Unwin, 1954), p. 356.

[67] Charles Davenant, *Discourses on the Publick Revenues, and on the Trade of England*, 2 vols (London, 1698), I, 3–6.

According to Davenant, the wise statesman would not prefer a political sedative over bracing counsel. Instead, the statesman and his counsellors would use political arithmetic to 'Compute and Compare the Power and Riches of the Adverse Party', including which state could endure a war for longer and how that endurance might be increased. The costs of war to the state were like bleeding to the body, and while a state might indefinitely bear 'moderate Bleedings' (say, three million a year), it could die at the loss of great quantities of blood (say, twenty million in three or four years). At the same time, statesmen also needed to know the strength of their allies to ensure that these states made honourable contributions to the war effort.[68] Political arithmetic was therefore a way of computing relative strengths to guard against misjudging a state's balance of power interest: 'He that has such a computing Head, will seldom enter into ill Measures.'[69] We can therefore view political arithmetic as another genre of counsel geared to state administration, and hence as enjoying a close working relationship with the analysis of interest.

IV: Conclusion

The analysis of interest has enjoyed several labels, and they are indicative of the differing presentations the genre has received. Jonathan Scott, for example, referred to the 'political language of "interest"' in the context of his study of Algernon Sidney's republicanism.[70] It was earlier labelled, inelegantly, by J. A. W. Gunn as 'the genre of "interest of England" works',[71] by which Gunn referred to the narrower concern with foreign affairs that might be seen as contained within Scott's more encompassing notion of a 'language'. In these pages 'the analysis of interest' has largely been preferred, a term used by Jens Bartelson in his study of shifting discourses of sovereignty.[72] This preference indicates only a desire to centre the political calculations that the genre made possible, and hence to underline its analytical character in relation to external affairs. It is in relation to the analytical aspirations of the analysis of interest that writings on trade and political arithmetic appear to be kindred spirits, along with the shared assumption that practical knowledge of the state is necessary for its conservation in a threatening world. In this respect we can mark the comments of an approving pamphleteer near the close of the seventeenth

[68] Davenant, I, 7–9.

[69] Davenant, I, 14.

[70] Scott, *Algernon Sidney*, p. 207.

[71] Gunn, *Politics*, p. 3.

[72] Jens Bartelson, *A Genealogy of Sovereignty* (Cambridge: Cambridge University Press, 1995).

century, who noted that the King had asked for counsel from Parliament, his 'Great Council', which was entrusted by the people with their 'Power, Purses, and all other things wherein the Strength of the Nation consists ... to direct the Money, Men, Arms, Shipping, and all other Advantages of the Nation, to the Defence, Safety and Preservation of the whole'.[73] Here is a list of the elements of state strength, which political arithmetic attempted to enumerate, which the analysis of interest sought to direct wisely, and that writings on trade intended to increase. Together they formed a constellation of genres of public counsel that provided a set of sophisticated calculations to aid in the competent administration of the state. If such counsels and the practices they support are the 'reason' by which states are governed, then we might say that seventeenth-century reason of state was multiple, monitored itself for errors and, far from relating only to exceptional circumstances, was mainly concerned with matters arising from the ordinary life of a state.

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[73] Anonymous, *Some Short Considerations Concerning the State of the Nation* (1697), p. 3.