



Foreword to “The General Directing of Trade Cannot Be a Science”: D’Argenson’s 1751 Commentary Essay and the Response to It

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[LINK TO ABSTRACT](#)

René Louis de Voyer de Paulmy, Marquis d’Argenson (1694–1757), played an important though rather overlooked place in the history of classical liberalism in France. Original and incisive at a time when systematizing was the vogue—though not yet in economics (the physiocrats were just about to appear)—he hampered his long-term recognition by scarcely ever publishing his writings, which were voluminous. To this day his private journal and memoirs are the best resource available to study his thought. Text from his journal and memoirs was published three times in France, and a selection in English in 1789, before, alas, the originals along with most of his remaining manuscripts burned in a fire during the 1871 Commune de Paris. In 1901 a two-volume edition of his journal and memoirs appeared, based on the published French materials.²

1. Institut Coppet, 75007 Paris, France.

2. D’Argenson’s *Journal* first appeared in 1825, along with a selection of other writings (*mémoires*); two new editions were later published, in 1857–1858 (6 volumes) and 1859–1867 (edited by E. J. B. Rathéry, 9 volumes; hereafter cited as “éd. Rathéry”). The 2-volume abridged English edition bears the title *Journal and Memoirs of the Marquis d’Argenson* (d’Argenson 1901), although the additional *mémoires* added to the French editions were not included. Also, the son of our d’Argenson edited a volume under the title *Essais dans le goût de Montagne*, which includes some notes found in the papers of his father, and which was translated and published as *Essays, Civil, Moral, Literary and Political* (d’Argenson 1789).

D'Argenson was from a family well-connected in the spheres of power. His father, Marc-René de Voyer de Paulmy (1652–1721), had been a ministre d'État and was lieutenant-general of police from 1697 to 1718. His brother, Marc-Pierre de Voyer de Paulmy, served as minister in charge of defense. And D'Argenson himself became minister of foreign affairs, 1744 to 1747.

Yet d'Argenson's appetite for power was very moderate. He had a preference for ideas. As a personal friend of the pacifist and free-trade advocate Abbé de Saint-Pierre (1658–1743), d'Argenson was a member of the Entresol club, created in 1724, where ideas were debated and manuscripts discussed, including drafts of Montesquieu's *Spirit of Laws*, thirteen years before its publication. In this cozy and free atmosphere ideas were bold and radical, on topics ranging from belles-lettres to economics and politics. "One day the government will ask us to mind our own business,"³ said d'Argenson, who was advocating for prudence and moderation; the club was closed in 1731. After serving as foreign affairs minister, d'Argenson lived a solitary life and continued writing a journal and memoirs. He was a keen observer of the poor economic conditions of most of the rural populations. He died in 1757.

In government d'Argenson saw good men turned down and sound economic policy refused. He was a liberal who understood the need for stability and functionality in government. In a journal entry from 1731, he commented on the tax reform set up by the intendant of Caen: "He wanted to change the whole of the assessment of the arbitrary taxes, especially that of the poll-tax. Those he thus relieved did not thank him; they thought, as usual, it was only justice; and those whose tax he increased uttered such loud cries, wanting to eat him up, that the echo of them besieged both throne and Court."⁴

Year after year d'Argenson echoed the growing dissatisfaction of the country and expressed his concerns for the future. Yet he was of the opinion that "it would require tremendous faults and incidents for a king to lose his throne" (1764, 41), and he carried on naively, fitting Tocqueville's description of the lead-up to the French Revolution, "there never were events greater, better prepared, longer matured, and yet so little foreseen" (1856, 12). Tocqueville quotes d'Argenson twice in his great work and likely was influenced by him.

In 1901, the English translator of d'Argenson's journal marveled at his foresight and observations. "These notes and reflections," she wrote, "give an invaluable picture, not elsewhere to be found, of the dull corruption, political and social, of the first forty years [i.e., 1715–1755] of [Louis XV's] sixty years' reign — the wonder is that Louis XV was allowed to reign so long and that Louis XVI ever

3. Journal du marquis d'Argenson, 10 décembre 1731 (éd. Rathéry, I:103).

4. Journal, 1731 (éd. Rathéry, I:80–81; d'Argenson 1901, I:66).

came to the throne” (Wormeley 1901, 40).

D’Argenson did not keep his ideas entirely to himself. He was largely read by those who had received copies of his manuscripts, such as Pierre-Samuel Dupont de Nemours (1984, 168). D’Argenson’s *Considérations sur le gouvernement* were published posthumously in 1764.⁵

One piece that was published by d’Argenson during his life expressed his thoughts on the merits of free trade. Written in French, it was initially published in 1751 and did receive some attention. What prompted d’Argenson to write and publish this piece?

Around 1750, in Italy, a chaotic monetary situation motivated several writings on economic matters,⁶ among them a widely read tract by Girolamo Belloni (1688–1760), published in Rome in 1750 under the title *Del commercio*.⁷ After considering the nature of money, Belloni turns his attention to public policy, advocating tariffs and a monitored balance of trade. The tract was soon translated into many languages, appearing in English (1752),⁸ German (1752), and French (1751; 1755; 1756; 1765). *Del commercio* was “the first Italian book on economics to have been successful in France,” according to a recent survey on Italian economic thought (Bianchini 2002, 3).

In France the *Journal Économique* published in its March 1751 issue an article, summarizing Belloni’s argument, written by an unknown author—a Bellonian, if you will—who likely hailed from Italy. D’Argenson seized the opportunity to comment critically upon Belloni, writing an essay that put forward a laissez-faire outlook, one which he had been developing in his private writings. D’Argenson’s essay was published anonymously in the *Journal Économique* issue of April 1751. An English translation by Tobias Smollett was published in 1754, and an Italian translation appeared two years after that.⁹ Smollett’s English translation was also reprinted in 1762 in *The Annual Register*,¹⁰ the chief editor of which was Edmund Burke.

5. Adam Smith had a copy in his personal library (Mizuta 2019, 388).

6. Giovanantonio Fabbrini, *Dell’indole e qualità naturali e civili della moneta e de’ principi istorici e naturali de’ contratti. Dissertazioni*, 1750; Girolamo Belloni, *Del commercio*, 1750; Carli Gian Rinaldo, *Dell’origine del commercio della moneta e dell’istituzione delle zecche d’Italia sino al secolo decimosettimo*, 1751; Ferdinando Galiani, *Della Moneta*, 1751.

7. It contains a Latin translation by Nicolas Rubbi.

8. The translation in English was published in 1752 under the title: *A dissertation on commerce. Clearly demonstrating the true sources of national wealth and power, together with the most rational measures for acquiring and preserving both. The whole deduced from the nature of trade, industry, money and exchanges. Tr. from the Italian of the celebrated Marquis Jerome Belloni.*

9. “Critica di un oltramontano alla dissertazione del sig. Marchese Belloni sul commercio,” *Magazzino toscano d’istruzione e di piacere*, December 1756.

10. *The Annual Register, or a View of the History, Politics, and Literature for the Year 1762* itself went through numerous editions, the fifth appearing in 1787.

In my opinion, d'Argenson's essay is one of the best compact statements of laissez-faire French classical liberalism. It highlights wholesome autocorrective tendencies in free markets and remarks on how the alternative lacks such virtues; it fairly compares freedom and unfreedom, rather than assessing freedom against an irrelevant perfection. The date of the French original, 1751, reminds us that the central spine of liberal political economy—a presumption of liberty, corresponding ideas of beneficial spontaneous mechanisms, and a sober view of government—though ripened by the Physiocrats and Adam Smith (beginning in his jurisprudence lectures), had been bubbling up pervasively, for example in the writings of the Dutchman Pieter de la Court (1618–1685), earlier in the Salamancans, and so on.

D'Argenson questions whether the “general direction of trade” can be a science. He suggests that the general direction of trade is “beyond our reach,” epistemically. When we reach beyond our inherent limitations in metaphysics, we merely waste our time. But in policy, he says, we take steps down the road to serfdom:

[T]he general direction of trade cannot be a science; for it is impossible. Oftentimes, when we dive into sciences beyond our reach, ...we are quit for so much loss of time; but in policy, such false presumptions carry us a great way down the fatal paths of ruin and destruction. We ought to be persuaded that, in order to attain to that knowledge which is requisite for the direction of commerce, it is not enough to know the different interests of different nations, provinces and societies; but we must also understand the interests and connections of individuals, together with the quality and value of each commodity.

D'Argenson goes on to say that we “arrogate” to ourselves a pretense of knowledge. His essay helps us see that liberal arguments based on the disjointedness of knowledge and human conceits are older than we might realize. “[T]he instinct of the bee,” d'Argenson writes sarcastically, “does more in this particular, than the genius of the greatest politician.”

After d'Argenson's essay commenting on the Bellonian's article was published anonymously in the April issue of *Journal Œconomique*, in the June issue was published a response by the Bellonian to d'Argenson.

The Bellonian's response is respectful and takes up d'Argenson's claim that the direction of trade cannot be a science. The exchange naturally raises issues about meanings of the word *science*. It also raises issues about how self-image or selfhood might motivate beliefs on either side of the exchange. Would d'Argenson say that his claim is a matter of science? Would he purport to being scientific in making his claim that the general direction of trade cannot be a science? The exchange raises questions about what work “general” is doing in the expression

“general direction of trade.”

But the Bellonian’s response is also interesting on other counts. It highlights how the matter of freedom (*liberté*) is distinct from the issue of monarchy versus republic, writing: “the significant difference between these two forms of government is not freedom itself; freedom is equally necessary in both, since she alone can provide the tranquility which man needs to do his work and to enjoy the fruits of his labor.” Also, the response notes how, historically, the sovereign’s attention to commerce followed the transition from paying tributes in kind to paying tributes in money: “When the sovereigns drew, in fruits from the earth or in works of art, the tributes which their subjects must absolutely pay to them, it was very indifferent to them whether or not the people carried on any trade: but since they are now asking them for money, which commerce alone can procure them, it is very important for princes to see that commerce flourishes in their States”. The fisc impels governmental involvement in trade. In a spirit of friendly and reasonable engagement, the response makes several points that we associate with economic nationalism. The response ends by affirming the importance of the “balance of power” concept in European international relations.

D’Argenson later prepared a rejoinder to the Bellonian, but he did not publish it, and it was presumably lost in the fire of 1871.¹¹

Notes on the texts

The following English text of d’Argenson’s essay keeps close to Smollett’s version of 1754. I have compared the 1754 English version both to the 1751 published French version and an original manuscript version. Smollett’s version had but a single (English) word in italics (namely, “*Police*”), but the published 1751 French original made frequent use of italics, and I have for the most part reinstated the 1751 italics. Also, based on the 1751 version, I have for the most part restored the original paragraph breaks and, on occasion, the punctuation, as when the removal of commas or the splitting of a particular sentence appeared to me as unreasonable decisions on Smollett’s part. Also, for modern readers, I made a few very minor changes, such as the removal of a few commas. I changed Smollett’s wording in just a few very minor instances.

Below d’Argenson’s essay, I have rendered the Bellonian’s response to d’Argenson into English for the first time, and into American English (“labor”),

11. Rathéry, the editor of d’Argenson’s *Journal et Mémoires*, mentions the existence of an unpublished answer to the rebuttal of his first Observations (éd. Rathéry, I:xxxii). It has not been found in the remaining d’Argenson papers kept in the Archives Nationales or in the bibliothèque de Poitiers (Fonds d’Argenson).

whereas the present version of d’Argenson retains the British of Smollett’s 1754 version (“labour”). In the texts presented here, the words “trade” and “commerce” are both always translations of *commerce* in the original French texts. Smollett frequently translated *commerce* as “trade” (rather than as “commerce”). In translating the response, I too often use “trade,” to echo the d’Argenson text, notably in the expression “the direction of trade.”

In both texts that follow, I occasionally insert clarifying remarks in brackets [like these], and none of the footnotes are original; rather all of the footnotes have been introduced by me and represent my voice.

About the Author



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The General Directing of Trade Cannot Be a Science¹

René Louis de Voyer de Paulmy, Marquis d'Argenson
edited by Benoît Malbranque²
translated by Tobias Smollett

Sir [that is, the editor of *Journal Economique*],

In your journal for March, 1751, you have inserted a Dissertation upon trade, by the Marquis Belloni, which I have read several times, as an excellent piece; the substance of all the best remarks which have been made by our modern politicians on that subject, containing advice to sovereigns touching the direction of commerce, manufactures and the circulation of money.

But ought not he first to have considered whether it is more necessary to direct all those things with so much care and concern as he proposes, or to let them take their own way, under proper protection³ only? How many general and particular manufactures have been established and brought to perfection by liberty alone, each having been carried *on in its own right*; every individual is led by honour and advantage, and thence results a *great whole*, which never is the consequence of a general direction. If, on the contrary, the government should be too watchful and solicitous, and laws too much extended or too minute should happen to disturb particular manufactures, in terrifying by penalties (often injudiciously inflicted) or recompensing by prices (ill adjudged), you substitute intrigue instead of emulation. How many things are now carried on with tolerable success, merely from having hitherto escaped a pretended legislative *police*, which instead of advancing, retards the progress of industry and improvement!⁴

Observe how trade flourished in the republics, until its prosperity was

1. Smollett's translation was originally published as "A Letter to the Author of the Journal, Concerning the Dissertation upon Commerce, by the Marquis Belloni," in *Selected Essays on Commerce, Agriculture, Mines, Fisheries, and Other Useful Subjects*, London: D. Wilson and T. Durham (1754): 328–335.

2. Institut Coppet, 75007 Paris, France.

3. *Protection* is not to be mistaken with *protectionism*, for it mostly referred to the protection of commercial ships by the navy, therefore enabling free-trade, not limiting it. At the same time Vincent de Gournay was also arguing for the combined policy of "liberty and protection," claiming that "everything grows and flourishes through a free and protected trade" (2017/1753, 55.).

4. "The very few things which can be said to be remotely satisfactory in France," d'Argenson writes elsewhere, "are those in which regulatory police has not penetrated and which remained free from taxation and monopoly" (1765, 261–262).

interrupted by other political causes foreign to commerce (such as wars, national debt and oppression); the reason was, those republics have a spirit ever healthy, ever active, which is *liberty*; and this, far from diminishing, actually constitutes the public strength; it represses evil and maintains distributive justice, and the evil being repressed, the good appears and predominates: yes, the *removal of obstacles* is all that is necessary to the success of trade.

It asks nothing of the public, but good judges, the discouragement of monopoly, an equal protection to all the subjects, an invariable value of coin, roads and canals: besides these articles all other cares are vicious; and this vice is the more pernicious to a state, as it flows from an ill conducted zeal: this zeal has partisans, officers in employment and authority, and it requires whole ages to undeceive them of their errors.

Trade is the science of individuals; but the general direction of trade cannot be a science; for it is impossible.⁵ Oftentimes, when we dive into sciences beyond our reach, such as the general system of the universe, infinitude, the union of spirit and matter, etc., we are quit for so much loss of time; but in policy, such false presumptions carry us a great way down the fatal paths of ruin and destruction. We ought to be persuaded that, in order to attain to that knowledge which is requisite for the direction of commerce, it is not enough to know the different interests of different nations, provinces and societies; but we must also understand the interests and connections of individuals, together with the quality and value of each commodity. He therefore, who is mistaken in the least article, will direct amiss, and enact preposterous laws.⁶ Who then shall pretend to this integral and universal capacity? *Non datur scientia*.⁷ Nevertheless the directors of trade arrogate this to themselves; and if this arrogance be faulty, and they consult their caprices more than their understanding, the result will be laws that cramp the commerce and favours unjustly conferred. Sometimes the council of commerce of a nation or

5. Along these lines the physiocrats and Turgot later expounded on the impossibility of government planning. See for example “Letter on the ‘marque des fers’” (Turgot 1977/1773, 187).

6. “Ministers wish to conduct trade through their orders and regulations,” noted d’Argenson in 1742, “but to this end one would need to fully know the interests of trade, not just from nation to nation, but county to county, town to town, and individual to individual; for without such a knowledge, half-science is far worse than ignorance in terms of the effects it produces” (“Mémoire à composer pour délibérer le pour et le contre, etc.,” July 1742, in éd. Rathéry, IV:456.)

At the beginning of the 18th century, Pierre de Boisguilbert (1646–1714), who influenced d’Argenson through Saint-Pierre, argued in favor of *laissez-faire*, understood as “letting the natural flow of things” in all economic matters, where the best outcomes, he claimed, were always produced by themselves, “without the intervention of any superior authority, which must be banned when dealing of any sort of production, since nature, far from obeying human orders, always rebels again them, and never miss an opportunity to avenge itself by means of food shortage and misery” (*Traité de la nature, culture, commerce et intérêt des grains, etc.*, 1707, in Boisguilbert 1966, II:871).

7. Nonexistent is such science.

province sees the common interest only through the eyes of their deputies; these sometimes propose private or particular advantages to their own towns or persons, to the prejudice of other towns and the rest of the subjects; and sometimes it is to be feared, they lay it down as a maxim to aggrandize what is great, annihilate what is little, and utterly banish equality.

It is reported of M. Colbert, that when he convened several deputies of commerce at his house and asked what he could do for the benefit of trade, the most sensible and plainest spoken man among them⁸ replied in these three words: “Let us alone.”⁹ Have we ever sufficiently reflected upon the good sense of that short answer? This is no other than a kind of commentary upon it.

Apply it to everything that is done for trade, and to what chiefly destroys it in monarchies, and examine its effects: you will soon find how little fruit and success is reaped from all those cares of restraint, inspection and regulation; the republics have made greater advances in trade, almost without laws and constraint, than other countries when countenanced by the ablest ministers; the instinct of the bee does more in this particular, than the genius of the greatest politician;¹⁰ the capital of a republican state, increases every day, by economy, agriculture, industry, brokerage, manufacture, and everything that is understood by the idea of trade.

There are degrees by which we ascend successively from what is simple to what is improved, and from this last to the perfection of art; these the multitude will climb of themselves, by communication, example and emulation: they never fail to follow the different steps, and never mistake when left to their own conduct; but when people pretend to show them the road and direct them, woe be to him who mistakes!¹¹ The needful is neglected, in order to proceed to what is superfluous

8. Thomas Le Gendre, a rich merchant from Rouen.

9. *Laissez-nous faire* later served as the rallying point for the physiocrats. “Let things be, let things go [*laissez faire et laissez passer*],” writes Le Trosne, “all the economic policy regarding industry and trade is contained in these words” (1768, 158). In his naturally excessive style, another writer, Nicolas Baudeau, spoke of “this divine phrase, let them be (*laissez-les faire*), that deserves to be engraved in gold letters on a marble column which would be placed on the grave of its author, and in front of which we would burn, instead of the regular incense, the massive volumes of laws under the yoke of which all the manufactures and industries of Europe are suffering” (1771, 208–209).

10. In another piece, published after his death, d’Argenson drew a parallel with a bee hive, to explain what was later famously associated with Smith’s invisible hand. There, he says, “each insect acts according to its instinct, and what results from their actions is a great produce for the needs of their small society; but this was not brought about by orders, or by generals who forced each individual to follow the views of their leader” (1765, 41).

11. Elsewhere, d’Argenson expounded: “To let things be, should be the moto of every political authority since the world is civilized. Men emerged from barbarism, they cultivate arts very well; they have laws, models, they test different methods and practices to discover which one suits best. Let them be, and you will see that where this maxim is better followed, its effects are clearly visible. In a republic, individuals flourish and grow richer, private property is protected, and useful arts thrive. The same applies to our autonomous counties (*pays d’État*), for every time authority is kept at bay and human freedom is operating,

before the time. Without mentioning particular nations, how many errors of this kind have been committed to the destruction of mankind!¹² How many colonies have been peopled at the expense of the continent!¹³ While some places enjoyed abundance, how many others have been quite deserted! How many arts have been admired at the expense of neglecting the gifts of nature elsewhere; fine palaces built, and statues erected, but lands without culture, and villages without inhabitants.¹⁴ These are the effects of the grand science of trade.

The Marquis Belloni thinks it might be of service to trade, to set up custom-houses, and load one kind of commodity with higher duty than another; to exclude foreign merchandize, and favour our own by encouraging the exportation of them. This practice is but too well known in Europe; but the nation who introduced it first, has necessarily prescribed the example to others; each is willing to do the same injury to the right of nations which itself suffers: foreign manufactures were prohibited that one country might not become tributary to its neighbours; so that the Europeans, as they increased in the knowledge of trade, took measures for breaking all communication among themselves, and in time of profound peace suffer all the effects of an universal war. No, it is not the good of trade that advises these measures, but some *private interest* which too often gets the better of *public advantage*. If once the multitude is allowed to take their own way,¹⁵ it will soon undeceive the world in this particular, to the great advantage of society, and show that the passage of merchandize from one state to another ought to be as free as that of air and water.¹⁶ All Europe ought to be no other than a general and common fair; the person or nation which should make the best commodity could find the

things take off and grow rapidly" (1857–1858, V:364).

12. Of course d'Argenson had the flawed policies of France in mind, but even in an anonymous article precautions had to be taken. In the same year of 1751, Montesquieu's *De l'esprit des lois* was banned by the Roman Catholic Church.

13. D'Argenson's inclination against colonization is expressed elsewhere: "If I were king, those colonies we possess, I would rather exchange them against a single pin! I would transform them into small republics under my protection, so that our merchants could trade with them, and increase the value and fame of our national products. I would do the same for the colonies that our India Company has created in Africa and Asia" (1857–1858, V:371).

14. The palace chiefly in mind would be Versailles, where d'Argenson disliked being. In his journal he constantly vilified its excessive luxury, and in the *Considérations* he wrote that "at court, it is a disgrace even to be suspected of being frugal" (1765, 172). Meanwhile descriptions of the misery of the people, especially in rural areas, are everywhere in d'Argenson's journal.

15. D'Argenson was in favor of some sort of political representation: "My suggestion is to try giving the public a bigger role in government, and to see what happens" (1765, 172).

16. In a draft from 1742, d'Argenson noted how he should undertake a treatise on trade by considering "that one never bothers about air: it goes out and comes in, and yet is never found missing in the country. It is nonetheless a very necessary commodity" ("Mémoire à composer pour délibérer le pour et le contre, etc.," July 1742, in éd. Rathéry, IV:453; see also d'Argenson 1857–1858, V:383).

greatest advantage.¹⁷ The distance and expense of carriage are sufficient reasons for any nation to prefer its own goods to those of others; and where these obstacles cease, the stranger is preferable to our own countryman, otherwise you ruin instead of favouring subjects in their trade. The custom-house duties will always have a bad effect, for the finances of the nation ought to be raised from the consumption only; as all duties levied upon the transportation (be what they will) never fail to distress the trade.

But presumption and self-love are so predominant among men, that they prefer a small advantage acquired by sophistry, subtlety or malice, to all that nature and humanity would afford with much more abundance and integrity; though their understanding was undoubtedly given them not to domineer but to regulate liberty. Yes, a regulated and enlightened *liberty* will always do more for the trade of any people, than the most intelligent domination: a single man sees more clearly into the interests of his own trade, and conducts it better than ten associates, whose interests are always divided and often opposed to each other. If he goes too far, if he usurps over or injures his neighbours, they can stop and restrain him with the assistance of justice; and this constitutes the equality, policy and balance that are necessary to trade: whereas our legislators can only perceive so many different interests in a confused manner. *Liberty* will enrich the merchants, and these becoming more or less wealthy, according to their talents, will endeavour to bring their manufactories to perfection. The regulations made for manufactories ought to be as so many instructions to those who are in search of this perfection, in the same manner as the books that treat of arts and sciences. There must be all sorts of degrees of goodness in the manufactories, according to the taste and circumstances of the purchasers:¹⁸ imperfection and fraud discredit the manufacturer, while diligence and honesty enrich and bring them into vogue.¹⁹ For these reasons commerce claims liberty instead of those penal laws, duties and interdictions by which it is discouraged.²⁰

17. "Foreign trade can only be based on mutual need. When all doors will be opened it will flourish to the highest degree" (d'Argenson 1765, 185). D'Argenson's papers contained another judgment on this: "It is time for us to make a decision. Every nation hates and envies us. As for us, may we not envy them if they prosper, for it is good for them and good for us too: they will buy more of our products and will bring us more of their own, along with their money. It is indeed a despicable idea to wish for the prosperity of our nation by means of crushing down others; it can only please the malice and evil lying in our heart, and our own interest is in the very opposite" (1857–1858, V:372).

18. "In clothing as in everything else," Vincent de Gournay similarly claimed in 1754, "room must be made for good, average and mediocre quality... If a seemingly bad fabric is sold, it is proof that it is not bad; if it is not sold, the maker is punished instantly and will make amends" (2008/1754, 195).

19. "The best indicator of utility is the public at large, it is the support consistently obtained from those who have an interest. Everyone feels what his own interest is, everyone takes action for his own benefit, and it is in this general agreement that we discover the truth" (d'Argenson 1857–1858, V:382–383).

20. "To lead industry against its will is to wish its downfall" (éd. Rathéry, VI:424).

Trade itself is no other than an abstract idea lately known, as well as *circulation* and *credit*. We seem to make new divinities, like the Greeks, in order to adore them: our fathers, who had less idolatry and philosophy, but more wisdom, were richer by their economy and labour, than we by our sciences of exchange, brokerage, and stock-jobbing. Perhaps our posterity, undeceived by experience, will laugh at the disease that now prevails in several nations, of endeavouring to reduce the principles of trade into a system:²¹ and will place it in that rank which we now assign to the Crusades, and which we shall soon give to the folly of the *political balance* of power in Europe.^{22,23}

About the Author



René Louis de Voyer de Paulmy, Marquis d'Argenson (1694–1757), was a minister in France; in a letter, Voltaire wrote that he was “the best citizen that had ever tasted the ministry.” He was, along with Boisguilbert and Vincent de Gournay, one of the main promoters of the *laissez-faire* stance in French economics leading up to the Physiocrats. He wrote numerous essays and kept a journal, in which he discussed how the social and economic conditions of France could be revived

through a policy of non-intervention. His views influenced numerous economists, including the Physiocrats.

21. “A nation can slip into bad habits under bad governments, just like ill-bred children. These habits can disappear eventually, but they will impact the character for a long time” (1765, 81).

22. The response later criticized d'Argenson for this comment. It is worth noting nonetheless that d'Argenson had been Foreign Affairs Minister from November 1744 to January 1747.

23. This last sentence, like others, was omitted in the Italian translation (1756), which is more of an adaptation: it does not always follow the text perfectly, although all in all it gives a fair picture.

Yes, the Directing of Trade Can Be a Science¹

Anonymous (a Bellonian)
*translated by Benoît Malbranque*²

Sir,

You do not surprise me when you claim that you have read several times the dissertation on commerce of the marquis Belloni, and that you regard it as an excellent piece, for it is indeed a masterpiece which has all the qualities to deserve this name. The marquis Belloni, a descendant of Roman merchants, surrounded by universal esteem for their probity and intelligence, is a merchant himself, and with a new brilliance he unites in his person the talents and virtues of his ancestors. It is his rare merit that owes him the affection with which His Holiness³ honors him, and of which He wanted to give him incontestable proof, by conferring on him recently the title of Marquis. Therefore, his dissertation on commerce is not the fruit of idle speculation, but of deep study and thoughtful practice; his enlightened mind has penetrated the causes of what experience has shown him, and he only took the pen after having discovered the connection between principles and their effects, and how they derive naturally from each other. It is the reason why, when aiming at establishing the true means of supporting and stimulating trade, he began by demonstrating the true nature of trade, so that there would be no misunderstanding regarding these means, and that trade could be governed according to its nature. Consequently, I am surprised, Sir, that without contradicting his fundamental principles, you would raise doubts about the fair consequences he draws from them. You are not inclined to approve of sovereign authority interfering in the conduct of commerce; chambers of commerce and custom-houses seem disastrous to you.

Before taking the defense of the marquis Belloni, I must clear up an ambiguity that I have caused. His views being comprehensive, he deals of both

1. Originally published as “Réponse de l’auteur du Journal économique à la Lettre qui lui a été adressée au mois d’avril dernier, au sujet de la dissertation sur le commerce de M. le marquis Belloni” (which would translate as: “Response by the author in the *Journal économique* to the letter addressed to him in April, concerning the dissertation *On commerce* by the marquis Belloni”), *Journal Économique*, June 1751: 130–149.

2. Institut Coppet, 75007 Paris, France.

3. The Pope Benedict XIV, head of the Catholic Church from 1740 to 1758.

republics and monarchies, and says so positively. But monarchies being more common in the world, I considered them solely, and I had all the more reason to do so, since, if you examine the matter well and with some attention, there is nothing that the author says about monarchies that is not applicable to republics. Indeed, the significant difference between these two forms of government is not freedom itself; freedom is equally necessary in both, since she alone can provide the tranquility which man needs to do his work and to enjoy the fruits of his labor. It would be easy to prove that one is freer under the rule of a single sovereign, than under the rule of several leaders, and that the *regulated and enlightened* monarchical authority is infinitely above the republican authority, however wise we may suppose it to be. But what, according to some, gives the preference to the republic over the monarchy, is that in the latter the sovereign authority is always vigilant and alert, and acts by itself; while in the former the authority stays sometimes asleep, and discharges on ministers the care which should be exerted directly. These ministers sometimes set themselves as rulers who, when they consider only their own interests, have their wars and their leagues, their truces, their peace and their alliances; the body of the state is tormented by these irregular movements, and it suffers, until the head wakes up: but as soon as it resumes its functions, all things go back in running order, public health is quickly restored, and this is a real and often felt advantage which the republics have hardly ever enjoyed, for their internal troubles usually bring about the ruin of the State.

So do not set yourself, Sir, the prerequisite of a republic to make commerce flourish: the regulated and enlightened liberty which it requires can be found elsewhere. The first commercial state was monarchical; and when you say that *the republics have made greater advances in trade, almost without laws and constraint, than other countries when countenanced by the ablest ministers*, you agree in spite of yourself that at least some laws, and some constraint, are necessary in order for free trade to be regulated and enlightened. But who will dictate these laws if not the sovereign authority? And what change would it make for these laws in themselves, whether the authority rests in one or more hands? In vain on this subject do you suppose in monarchies all kinds of abuses which you believe are not to be found in republics. I do not allow myself to be surprised by this picture; I know that everywhere men are inclined to license when they obey, and prone to error when they command; and that for this reason we cannot over-enlighten some and contain others too much: these two points form the source of the public good. Just as the subject must respect the limits which are prescribed for him, the sovereign authority must see everything, examine everything, know everything in order to weigh the interests of all parts of the State, and to direct, by a general impression, the movements of individuals, so that the profit which a province will receive, for example, from trade, will not be so limited that it remains absolutely unknown to others, let alone

becomes harmful to them. This care is as indispensable in a republic as in a monarchy, and this is the only management of trade that the marquis Belloni promotes.

But you, Sir, do not want any management whatsoever, and you assure that your republics, *almost without laws*, have made trade flourish without any knowledge; because you argue that this knowledge is impossible. *Trade*, you say, *is the science of individuals; but the general direction of trade cannot be a science; for it is impossible*. To this reasoning I will only oppose the following: *War is the science of soldiers, but the conduct of war cannot be a science, for it is impossible*. One would explain this impossibility like you prove that of the direction of trade. You say: *We ought to be persuaded that, in order to attain to that knowledge which is requisite for the commerce of direction* (would it not have been better to say this direction of trade?⁴) *it is not enough to know the different interests of different nations, provinces and societies; but we must also understand the interests and connections of individuals, together with the quality and value of each commodity*. One would therefore add: *We ought to be persuaded that, in order to be able to conduct a war, it would not suffice to compare the forces from nation to nation, from armies to armies, from frontiers to frontiers, it would also be necessary to know the degree of force and the disposition of opposing soldiers, as well as the quality and value of their weapons*. While waiting for someone to point out the fault lying in this comparison, I have the right to speculate that the science of the direction of trade is indeed possible, and to try to prove its necessity in a few words.

When the sovereigns drew, in fruits from the earth or in works of art, the tributes which their subjects must absolutely pay to them, it was very indifferent to them whether or not the people carried on any trade: but since they are now asking them for money, which commerce alone can procure them, it is very important for princes to see that commerce flourishes in their States, and to ensure that *active* commerce prevails over *passive* commerce; for otherwise the people, being without money, however goodwill they might have, will not be able to pay their respects to their prince, and the prince without finances will not be able to defend them against the actions of their neighbors. It is therefore obvious that, in its own interest, the sovereign power must support foreign trade, extend interior commerce wherever it is not yet activated, animate both, and direct it to the general good of the State; and this can only be performed when the authority has acquired a general knowledge of trade, and by means of the various chambers of commerce that it establishes, from which information can be received, and which shall pass its orders wherever they need to be known.

This is the spirit of the institution of chambers of commerce: their purpose

4. The original 1751 French edition of d'Argenson's article had the curious words "*pour connaître ce commerce de direction*" (to know this commerce of direction), which is very likely to have been a mistake, by him or the editor or the *Journal oeconomicque*. Indeed the 1754 English translation says "the direction of commerce."

is the public good: they can achieve it, having the necessary credit and authority. If you find some chambers of commerce who take an opposite route, the marquis Belloni abandons them at your discretion; the fact that they can be useful is enough for him to be entitled to ask for their establishment.

As for customs, they have always been regarded among the most legitimate rights that princes levy in their states, and I am sure that if you had looked at antiquity, you would have spoken of it differently. You would have seen that in those early days when, as I have just said, kings received in kind the tributes of their subjects, merchants went to them, as much for permission to sell their goods as to buy from their stores, and never approached them without giving them presents. These gifts were too essential to be voluntary: they were rather honest customs that the prince himself raised. He later had them levied by his officers, when the kingdoms began to expand, and the merchants no longer went directly to their capitals, but stopped on the border or in other towns. They were still asked everywhere for the prince's presents, which imperceptibly took the name of rights. Finally, money having become a common commodity, and kings having begun to ask money from their subjects, they demanded all the more from merchants, to allow the entry of foreign goods. The marquis Belloni, when approving of them, did not do anything but in accordance with the custom of all times and all places; and the correct discernment which he makes between foreign goods and those of the country, clearly removes any occasion for misunderstanding.

Indeed, it is between the citizens of a single State that he could agree to have all goods shared commonly *like air and water*, because they would carry the same burden, and their interests would be common. But the danger of such freedom with foreign nations is so obvious that I do not believe it is possible not to perceive it. Allowing the entry of all foreign fabrics of silk and wool, manufacturers from outside, will cause the ruin of those at home: and do not say that the esteem that men in general have for anything that comes from distant countries will engage the foreigners to value your products.⁵ The country where the materials are more beautiful will always win in the end; this country will fill itself with money at the expense of others. This is the advantage that the Indies have over the rest of the world. The state being stripped of money, where will the prince find enough to feed his armies, or to maintain his artillery? With what will he reward his officers, support the splendor of his crown, make the necessary advances, either for the advancement of science or for the good of commerce itself? The effect of customs

5. Before the Revolution of 1789, the French had been very keen at admiring other nations and welcomed with open arms anything coming from far away. "Our nation," wrote Charles Perrault in 1688, "has always been accused of excessively loving foreign peoples" (Perrault 1693, I:5). Back in 1614, an Englishman portrayed this French hospitality in a curious piece (see Barclay 1633, 55–56).

is to prevent money from going out in excess for things that can be called unnecessary. The absolute defense against some foreign goods does not produce, as you seem to think, *all the evils of war*: this is but curious overstatement. It is one of the evils of war that raw and necessary materials are prevented from being exchanged from one country to another: but it is the wisdom of legislators who are more clairvoyant than one might think, to ensure that a people, deprived of a superfluity which only serves to nourish luxury, learns to be satisfied with what its native land provides. On this subject, we must make a very essential distinction between the different powers: some occupy large areas, like the monarchies of France and Spain, etc.; others occupy only small areas, like the republics of Holland, Genoa, Venice, etc. Although absolutely speaking large states can survive on their own, those whose boundaries are narrow and who live on ungrateful lands, are obliged to have recourse to trade to feed their peoples. They can only support themselves through a perpetual exchange of all the productions of other countries. So to speak they are nothing but the shopkeepers and the merchants of the rest of the world. It is therefore necessary for them to have a share in everything, and that in their country everything enters and leaves easily. However, even in these States, the customs duties mentioned earlier are no less authorized, and the difference between these rights is yet another proof of the special care which the sovereign power takes and must take for the direction of trade with the view of the general interest of the State.

If there was a nation wise enough to limit itself to the productions of its country, one would soon see with astonishment, by the works that its industry would produce with its own materials, how rich nature is everywhere. Thus, bring us back the golden age, Sir, or give up the idea of forming one society of all the peoples of Europe. Nations are divided and will never rejoin together; various events can cause them to merge into each other, but as long as they remain distinct, their interests will always be separate, and the nation that most easily does without others will always be the wisest and the most powerful.

I notice that you have recognized that the abolition of customs would create a deficit in the prince's finances; yet the cure that you suggest seems worse than the disease. After letting foreign goods enter free of charge, you want to levy taxes on consumption. But if by consumption we are to understand the flow of goods and products within the country, whether food, clothing, or lodging, and the necessary export of their superabundance, can you ignore that by levying taxes on it, you actually make it impossible for the craftsman to work economically, and that you make life harder for an entire nation? Buyers will pay products at a higher price, while sellers will sell and manufacture less, since high prices discourage buyers, and little selling discourages labor. This is the inevitable effect of consumption taxes. Due to these taxes, the products necessary for life, which the country produces,

or which are manufactured there, will lose the advantage that they should naturally have over foreigners; those products would then only be used insofar as absolutely necessary; there is no need to cite examples; hence the decrease in trade which always carries with it the abandonment of agriculture and the ruin of the arts. Such is the state to which you will reduce your own country, because of the favor given to foreign goods, which on the other hand will take away all the money from the state; this is as was noted by M. [Jean-Baptiste] Colbert, who the marquis Belloni quoted on this issue: *Even if, said this great minister, one would surround a kingdom with a high wall to contain the money from going out, if in this wall there is a small crack, all the money of the kingdom will flow through this opening.* But if you discourage your laborers and artisans, if you let foreign goods enter freely, how will you keep the money from coming out? How will you get money from outside? How will the prince obtain from his subjects the money that they will no longer have?

After this long introduction on the general management of trade, on the chambers of commerce, and on customs, one cannot help but feel surprised, Sir, to hear you treat trade as a new divinity that we made in order to adore it. What will become of this *science of individuals*? Did you cry out so loudly in favor of *freedom* to establish but a pipe dream? As for credit and agio, which the marquis Belloni does not cover, I will not make any comment on it, so as not to leave my subject, which is only to defend the principles of this illustrious merchant: yet I cannot possibly refrain from talking about the circulation of specie, which you treat no differently than trade itself.

We call circulation of specie its passage from one hand to the other: it takes place when the prince and the rich, receiving their income in one hand, spend them with the other, whether for the maintenance of the State, or for the needs and conveniences of life: then the entrepreneurs, employees and merchants carry over to the provinces and return to the common people the sums which have been drawn from them, and which will return again to the first hands, by the same channels, continually emerging through the same channels to replenish in their course and to benefit all parts of the State: just like water, which is necessarily discharged from the earth by evaporation, and subsequently moistens it back by means of dews and rains. This, Sir, is what circulation is: this is what you regard as an insubstantial idea. It is evident that trade alone, especially foreign trade, can animate it by means of consumption; it is no less obvious that the prince has a very urgent interest in facilitating it, and consequently in keeping an eye on trade—all operations that he cannot do without having first acquired a general knowledge of it: not as to direct it in all its detail, as you suppose, but as a whole, as prescribed by the marquis Belloni.

I will end my answer by asking, Sir, for the permission to say, regarding the rather critical tone you took at the end of your letter, that one must have poorly

reflected on history to treat as a folly the idea of the balance of powers. The Greeks were always very eager to maintain this balance, when the republics of Athens and Lacedaemon fought for the empire of Greece. Alexander's successors waged many wars, signed treaties and alliances among themselves only to maintain a fair balance. It was short-lived between Rome and Carthage: but it existed between these two republics, from the first to the second Punic war. This balance was perfectly observed in Italy until Charles VIII, aiming at the kingdom of Naples, eventually broke it: he had the support of Charles V and Francis I until the battle of Pavia; and it was to reestablish it that the emperor's allies then crossed over to France. Again, in the last century it has been the object of much attention, because the forces of France were growing rapidly and the neighboring states thought it necessary to take measures to ensure their safety: but there is no one who is not convinced by reading history, that the moderation of Louis XIV did more for them than their constantly renewed leagues. If it can be broken by the prosperity of a political power, is it a reason to treat the balance of power as a pipe dream and extravagance? It is not necessary that it subsists without interruption to give it reality; it is enough that it has existed from time to time, and that the effects have been satisfactory. A wise politician observes states in their birth; he sees them grow, sometimes stagnate for a long time, and finally thrive, and he recognizes that all things are set in motion by a higher cause which forms them, preserves them and leads them to their end by means which are as impenetrable as his views.

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