

# WORKING PAPERS IN ECONOMICS

**The French Connection: Some Case  
Studies of French Influences on British  
Economics in the Eighteenth Century**

by

**Peter D. Groenewegen**

**No. 202**

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Towards the end of the first half of the century French influence was exerted on British economics from the remarkable group of financial economists France produced and more fundamentally from the work of the great Montesquieu, whose role in the development of political economy within a new secular social science was so extensive. The case studies presented help to capture both the changing pace, and the nature of, the substantial and varying influences French economics exerted on British political economists during the 18th century, the one century for part of which it can be said French economics dominated the subject.

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**THE FRENCH CONNECTION: SOME CASE STUDIES OF  
FRENCH INFLUENCES ON BRITISH ECONOMICS IN THE  
EIGHTEENTH CENTURY**

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French contributions in the eighteenth century hold a unique place in the history of economics in the sense that for substantial segments of that century they dominated thinking in the subject. Part of this dominance was associated with the Enlightenment, during which French thought reigned supreme over virtually every field of scientific endeavour. With special reference to economics, the leading position of French thought in the eighteenth century is explained by a number of factors. As shown by Hutchison,<sup>1</sup> part of the explanation lies in the relative decline in importance of English economics from the end of the seventeenth century, a position not recovered until almost a century after the Scottish ascendancy which began in the middle of the eighteenth century. More importantly, especially during the 1750s and 1760s, were the theoretical developments in French economics largely associated with physiocracy. These placed it in the forefront of economic theory over these two decades. The varying importance of French economics over the 18th century can be demonstrated statistically using data on the relative rate of publication and similar measures.<sup>2</sup> It can also be illustrated by using case studies of selected British writers, as a device for assessing the degree of French economic influence on such writers in greater depth. The last is the method adopted in this paper to highlight the influence of French economics on the English-speaking writers in the eighteenth century.

The case studies have been selected to illustrate both the specific forms French influence took in the eighteenth century and the differing degrees of its importance. The first deals with Richard Cantillon, an economist of British birth but French nationality and writing on economics, probably in France and in French, in the late 1720s.<sup>3</sup> Cantillon's case is interesting since despite his undoubted French connections, the major influences on his economics are English, reflecting the dominance of English thinking at the time. However, the identifiable French influences on his work are intriguing. The second case study concerns David Hume, another writer with very good French connections, having spent his initial period as writer (1734-37) in France. Hume's economic essays, written approximately two decades after Cantillon's *Essai*, reflect the type of French economic influence existing at this time. His main period of residence in France, as secretary to the British Embassy in Paris (1763-66), during which he became personally acquainted with many of the leading contemporary French economists, was of course well after his economic writings had been completed,<sup>4</sup> and at best reveal a 'negative influence' in some of his correspondence. In his case, it is the French influences from the 1730s and 1740s and before, which are the focus of the discussion. The last case study involves Steuart and Smith, who started writing their respective treatises in the 1750s and 1760s, publishing them in the subsequent decade. Both spent significant periods in France prior to producing their major economic work. The controversial nature of the decided French influence on their work, exerted on both during the decades of prime importance of French economics in the development of the subject make this a particularly fitting finale to this essay on French influence on British economics in the eighteenth century.

A methodological point should also be raised by way of introduction. This concerns what is meant by influence and the nature of the evidence deemed sufficient to suggest potential influence. Influence for this study entails the exerting of any effect on the writing of the person influenced, whether major or minor, on a point likely to have been absent without the influence in question. Influence is tested by either citation of the relevant work or, more circumstantially, by evidence that the author was in fact acquainted with the work from which influence on him is suspected. Such acquaintance may be the presence of the book in question in that person's library, or access to the relevant source in some other, clearly identifiable way. In short, influence by one author on another is ascribed by impact from an identifiable source with which the influenced author is demonstrably acquainted.

In what follows, the paper is divided into four sections. The first three deal with the three case studies respectively, a final section draws some general conclusions from the argument.

# 1. Cantillon and French Economics

As has been frequently pointed out,<sup>5</sup> Cantillon's *Essai* drew systematically on a number of theoretical writings from the previous century, of which English seventeenth century writers were by far the more important. From a theoretical perspective, as Aspromourgos<sup>6</sup> in particular has highlighted, much of Cantillon's analytical thrust derived from Petty, whose work was explicitly cited on three occasions in Cantillon's *Essai* though these citations by no means exhaust Petty's possible influence on Cantillon. Cantillon frequently analysed Petty's theoretical constructions critically, in order to either develop, or reject, them. Examples of the former are Cantillon's

elaboration of Petty's analysis of velocity of circulation to which his familiarity with Locke's work would have contributed and his analysis of necessary relative to total employment; of the latter, Cantillon's rejection of Petty's theory of the 'par'. Locke's economic writings were likewise used by Cantillon in a critical manner, while it was probably the statistical inquiries with special reference to demography and the social division of labour, in which Cantillon gained most from his access to work by Gregory King and Charles Davenant. In line with the relative paucity of English thinking on economics in the early decades of the eighteenth century, particularly when compared with the "boom years" of the 1690s, the only English work from that century Cantillon cited is Sir Isaac Newton's 1717 Report on the British Mint. John Law's work, not mentioned by Cantillon directly, for reasons explained by Antoin Murphy<sup>7</sup>, was clearly an important influence as well, particularly in a negative way with respect to Cantillon's account of banking and credit.

For an author who became French by choice and lived in France for a substantial part of his life, Cantillon also drew on the far smaller number of French authors then writing on the subject. Jean Boizard (died c. 1705) the monetary authority whose *Traité des monnoies* went through several expanded editions (1692, 1711, 1714, 1723) at the turn of the seventeenth century, is cited on technical aspects of silver refining for monetary purposes. However, Boizard's work contains little of theoretical interest from which Cantillon could have gained. A more important reference is to Vauban's *Dime Royale*, a work published in 1707, which obtained considerable fame for its proposals to reform national taxation. Cantillon criticised Vauban's tax proposals in passing, arguing proportional taxation of rent was fairer than Vauban's proposal for a royal tithe to be levied on all

income. However, as Cantillon considered taxation to be outside his subject, his criticism of Vauban was not developed.

The final reference to a French author in Cantillon is both the most important and most intriguing. This is the reference to the author of an *Etat de la France*, who attributed the falls in the rents between 1660 and 1700 of vineyards near Mantes to 'defective consumption'. Again, Cantillon is critical of the author, suggesting the defective consumption can only be attributed to the scarcity of money in France while the author as quoted by him suggests that the amount of silver money in this period had increased in France.<sup>8</sup>

Higgs attributed this *Etat de la France* to Boulainvilliers, thereby making him the author to whom Cantillon probably referred. Jacqueline Hecht, however, more correctly, argues that the type of argument to which Cantillon referred is more easily found in Boisguilbert's work, *Détail de la France*.<sup>9</sup> This is a 'State of France', to use the contemporary idiom, which covers the requisite period and, more importantly, frequently illustrates its argument by data drawn from vineyards in the election of Mantes. In addition, Boisguilbert was a noted, early underconsumptionist. Hecht also points out, Cantillon may have learnt more from Boisguilbert's work than the remarks he chose to quote from the *Etat* suggest. In particular Cantillon may have absorbed aspects of the notion of circulation which plays an important part in Boisguilbert's work, to develop them into a more sophisticated form.

There are many subjects on which Cantillon's knowledge of Boisguilbert's economics would have enriched his understanding of an economic system by supplementing what he had learned from British

sources. The European, and more specifically French, slant of many of Cantillon's illustrations in all parts of the *Essai* heightens the plausibility of such influence. A few examples can be given. In Boisguilbert's work, the importance of the growth of the social division of labour is quantitatively illustrated by a comparison between primitive and modern society. This indicated the two different types of professions present in primitive society are multiplied into 200 in its modern counterpart. Fundamental changes associated with this greatly expanded social division of labour are twofold. First, there is a tremendous increase in interdependence of economic agents. Secondly, it strengthens the tendency of a division of society into classes, in which one "does nothing while enjoying all the pleasures" while the other class, "works from morn till night only to be deprived of the overplus above its essential consumption". Private property in land for the few, obtained largely by violence, is Boisguilbert's explanation of this social division. The owning, landlord class, comprising nobility and church, is therefore the dominant sector in Boisguilbert's picture of contemporary France, a vision developed and elaborated on by Cantillon in the economic system he presented in Part I of the *Essai*. Growing interdependence between sections of the economy, with its geographic, inter-temporal and social implications for the relationship between national and individual interest, is mediated through the market. The last is expressed by relating prices set in that market by competition with necessary costs for producing commodities, a process in which Boisguilbert distinguished real flows from their monetary counterparts. This is formalised by his development of a simple notion of an economic circuit of output, income and consumption in which imbalances between the variables cause ruptures in these price relationships and between the monetary and real flows.<sup>10</sup>

All in all, the French influence on Cantillon is therefore significant, contrary to the view presented by Brewer.<sup>11</sup> This case study in addition supports Marx's profound conjecture that classical political economy has a dual origin, from France as well as from England, with Boisguilbert and Petty the respective founders of these two streams.<sup>12</sup> Cantillon's work is an early indication of the benefits to be derived from the merging of these two streams in the eighteenth century. However, despite the fact that French influence was not negligible in Cantillon's work as so often surmised, it is dwarfed by the much greater theoretical heritage he derived from the rich seventeenth century English literature and from its efforts in political arithmetic. An alteration in the balance of influence between these two streams becomes somewhat more important with the work of Hume.

## 2. David Hume and French Economics

David Hume's economic essays included with his 'political discourses' were largely written from the end of the 1740s to the early 1750s, being first published, with one exception, in the 1752 edition of his *Essays*. Intended as a critical commentary on major issues in economic policy and economic debate, with special reference to monetary theory, interest theory, market regulation, international trade, taxation and public credit, it is not surprising that they drew on experience from both sides of the channel, especially because their author had resided for some time in France during a formative period in his life. This makes French influence on his economics very likely. The last prospect is enhanced by the fact that during the 1730s and 1740s some important French contributions were published on the subjects in which Hume was particularly interested; partly to evaluate, and sometimes to defend, the famous financial system established by John Law during the Regency years of 1715-20. Most prominent among

these authors were Melon and his adversary, Du Tot; whose books were rapidly translated. Other, lesser lights in France likewise contributed to economic debate during these decades for which the evidence enables a judgement that France contributed more substantial work to the subject than the English-speaking world.<sup>13</sup> In addition, and of substantial importance to Hume's economics, the late 1740s when he wrote the economic essays, coincided with the publication in 1748 of Montesquieu's great and influential *l'Esprit des Loix*.

Hume mentions Melon's work on no less than three occasions in his *Essays* while a fourth, indirect reference to Melon can also be identified. The first reference occurs in the essay 'Of Commerce', in which Melon's estimate of the social division of labour in France is queried. Melon suggested that if French society is subdivided into 20 parts, 16 would be husbandmen, 2 artisans, and of the remaining 2 parts one belonged to law, church and nobility, the other to merchants, financiers and "masters". Hume rejected such a division on the ground that in "France, England and indeed most parts of Europe, half of the inhabitants lived in cities; and even of those who lived in the country, a great number are artisans, perhaps above a third."<sup>14</sup> In criticising these remarks, Hume missed the significance Melon attached to such calculations. They were required for maintaining the requisite balance between classes in society, an implicit emphasis on the implications of interdependence for social equilibrium, in the style of Boisguilbert. Melon is next mentioned in Hume's 'Of Money', in the company of Du Tot and Paris du Verney, two other important commentators on Law's 'System'. Again, the context is critical, since Hume disparages the three French writers for their failure to notice the benefits, in terms of stimulating levels of economic activity, of a mild inflation from "a gradual and universal encrease of the denomination of money".<sup>15</sup> Although

Melon himself was critical of such reductions in the "value of money" through debasing the currency, because they conferred benefits largely to debtors, he deplored the effects of deflation even more as a discouragement to production.<sup>16</sup> This blanket reference to Melon's work sits in any case rather uneasily with Hume's later reference to Melon and Du Tot, now in the company of John Law himself, on their frequent references to the benefits of "circulation" without further explanation.<sup>17</sup> Once again, this seems a little misplaced. Melon's succinct exposition of Law's system alludes to the favourable and unfavourable consequences of good and bad 'circulation' respectively, on the basis of experience in particular countries.<sup>18</sup> A final, albeit indirect reference to Melon's work is made in Hume's essay 'Of Public Credit'<sup>19</sup> with its allusion that some writers treat this as unimportant when the debt is held internally, because then it involves but a transfer from the left to the right hand.<sup>20</sup>

The critical tone Hume adopted to Melon's work in the four cases just documented suggests a wider type of influence Melon's work may have exerted on the composition of Hume's essays. The overall thrust of Melon's work possibly provided the inspiration for the issues on which Hume concentrated when designing his project of economic essays as general criticism of contemporary economic debate. Melon's well known study can be described as the perfect foil to set off the contents of Hume's critical essays on economic issues.<sup>21</sup> No other single writer of the 1730s and 1740s meets such qualifications, even though Hume's essays are, in part at least, also directed at specific English authors of which Gee's well known *Trade and Navigation of Great Britain Considered*, is perhaps the best example.

Two of the references Hume made to Du Tot's *Réflexions politiques sur les finances et le commerce*, were mentioned above. There is no doubt that, as in the case of Melon, Hume is correct in arguing that Du Tot presents little by way of explaining the benefits of a good circulation, except by his explicit association of this with improved consumption. He simply takes these benefits for granted, and does not even take the trouble to clarify what he means by 'circulation', for example, by distinguishing monetary circulation from that of commodities.<sup>22</sup> Similar to his treatment of Melon, Hume is wrong in suggesting that Du Tot failed to appreciate the benefits for trade and activity from a gradual increase in the quantity of money. In fact, Du Tot's defence of Law's 'System', provides clear support for the contrary view.<sup>23</sup> Finally, it is difficult to substantiate Hume's claim of factual indebtedness to Du Tot with respect to price effects from debasement of the coinage during the last year of the reign of Louis XIV. Hume seems, however, more correct in being generally sceptical of Du Tot's presentation of facts and, in his recognition of the value of Du Tot's general observation, "that the augmenting of the money in France does not at first proportionably augment the prices ...."<sup>24</sup> Taken with his use of Melon, Hume's comments on Du Tot suggest that his acknowledgement of the dual consequences of monetary increase, an aspect of his argument Keynes stressed in the *General Theory*, may well have been inspired by his detailed study of the consequences of Law's System, as reported by Melon and Du Tot, where these dual effects could be observed in its successive phases.<sup>25</sup>

Hume's reference to Law is too general, and his indebtedness to Montesquieu too well known, to warrant further comment.<sup>26</sup> However, his references to two French authorities from the first decade of the 18th century require some further notice. It is interesting that Hume had to "learn from L'Abbé du Bos [the common English fear] that Scotland would

soon drain them [the English] of their treasure" after the Union with Scotland had been effected in 1705. Hume denied such a supposition since the "money" in a nation was invariably relative to its "commodities, labour, and industry".<sup>27</sup> The same applies to the fact that Hume illustrated the detrimental consequences of internal tariffs by citing Vauban's discussion of the import duties imposed by Brittany and Normandy on wine from southern provinces like Languedoc and Guienne.<sup>28</sup> It is also interesting to note that Hume fails to refer to Vauban's work in the essay 'Of Taxes'.

Hume's 'Of Taxes' was later seen as an attack on the taxation doctrines of the Physiocrats and as such criticised by Turgot. The latter protested against Hume's general advocacy of indirect taxes on commodities, which occupied the greater part of the essay. Much more specifically, Turgot criticised in depth Hume's presumption that workers could not pass on higher taxes on wage goods through higher wages, absorbing taxes instead by reduced consumption and increased work. The last touched the cornerstone of the Physiocratic conclusion that all taxation was effectively paid by the landlord from the net product on land. Turgot's second letter to Hume on this subject in particular addressed Hume's denial of the proposition that "wages increase in proportion to taxes" on the ground this contravened the principle of supply and demand and was contrary to all experience. Turgot's argument drew on the dual nature of prices, that is, current prices, set in the market by supply and demand, and fundamental prices, the costs of the commodity to the producer, including his ordinary gain. Fundamental prices set the floor to market prices in the longer run, since any prolonged period where market prices did not cover costs implies a reduction in supply, as traders and producers leave the industry in response to the losses they were making. This eventually raised market price back to fundamental price. Wages, set by subsistence, were the



fundamental price of labour, and set the floor to competitive wage determination by supply and demand. Hence in the short run, it was possible for the worker to respond to taxes on subsistence by consuming less and working more, in the longer run wages would respond to the increased price of essential wage goods and return to their "natural" level of fundamental price. Hume's reply to Turgot, if indeed he wrote one, has not been found, nor did Hume take account of such criticism in the three editions of his essays which followed this correspondence. Hume's vehement hostility to the Physiocrats would in any case have prevented any concessions to their position on his part.<sup>29</sup>

The case study of Hume's French connection is interesting in that it indicates that one of the major mid-century economic performances owed much to the French, and may in fact even have been inspired as to scope by the contents of one of the more famous economic publications of the previous two decades. Melon's work is now no longer highly regarded, or even mentioned in the contemporary literature on the history of economics yet the work was considered of great importance during the eighteenth century, if only as a catalyst stimulating further work. This role it seems to have fulfilled with respect to Hume and as shown below, Steuart. It is interesting to note that Turgot appreciated this value of Melon's work in stimulating economic argument during the 18th century, precisely because of the faults it contained. Turgot praised Melon's work as "an intellectual feat .... despite the errors" because in many ways its contents provided the first intelligent discussion of money, trade and credit in French writings, a first the merit of which needed to be appreciated particularly by those who came after the subject had been greatly improved by writers of the calibre of Montesquieu, Cantillon, Hume, Quesnay and Gournay.<sup>30</sup> If the supposition expounded here about Melon's general influence on Hume's

economic writings is correct, then Hume may likewise have appreciated Melon's merit which made his general system a perfect butt for the criticism of economic policy Hume produced in his *Essays*. In that sense, Hume's *Essays* demonstrate the wider influence of French economic writings from the 1730s and 1740s by providing so much of the inspiration for the work on the subject they contained.

### 3. Steuart, Adam Smith and French Economics

During the decades when Steuart and Smith wrote their respective treatises, French economics gained theoretical dominance. Both works by these Scottish political economists bear the mark of this temporary French hegemony; interestingly, Steuart's to a lesser extent than Smith's. This can be elucidated simply by the fact that the French authorities cited by Steuart tended to be pre-Physiocratic, while Smith had the full benefit of Physiocratic theoretical advances at the start of the decade during which he wrote his *Wealth of Nations*. The treatment of these two authors as a third case study is therefore fully justified in so far as only one of them marks the tremendous importance of Physiocracy for the development of political economy in the period after 1770.

The French authorities cited by Steuart in his *Principles of Political Oeconomy* can be easily abstracted from the lists of authorities he cited prepared by Steuart's editor and by other leading commentators.<sup>31</sup> It is useful to classify these authorities into several categories. In the first instance, Steuart made use of standard French references on trade and other subjects such as Ricard's *Traité générale du commerce*, first published in 1686, Savary's *Dictionnaire universel du commerce*, first published in 1723, the legendary Memoirs of the Duke de Sully, and Du Hamel's

*Eléments d'Agriculture*, first published in 1753. Secondly, Steuart drew extensively on the major authorities on the French financial system of the early eighteenth century. Apart from the books by Melon, Du Tot and Paris du Verney which were also referred to by Hume, Steuart cited Desmaret's *Memoires sur l'administration des finances* published in 1716. Thirdly, Steuart on several occasions made reference to Vauban's *Dime royale*, drew heavily on Montesquieu's famous work, and utilised the important historical contributions by Goguet. Most importantly for the present purpose, Steuart also drew on a number of French works first published in the 1750s. These included the work ostensibly written by Nickolls, *Remarques sur les avantages et desavantages de la France et de la Grande Bretagne* (1754), Ange de Goudar, *Les intérêts de la France mal entendus* (1756), the anonymous *Le Reformateur* (1756), Mirabeau's *l'Ami des Hommes* (1756) and, perhaps most interesting of these authorities, Quesnay's article 'Grains' which was published in the *Encyclopedie* in 1757. It should be stressed that Steuart used the pre-Physiocratic edition of *L'Ami des Hommes*, while there is no evidence that Steuart had read the anonymous but theoretically very crucial contribution on 'Farmers' by Quesnay published in the *Encyclopedie* in 1756. In short, Steuart only benefited from some of the contributions whose publication Gournay had organised and which thereby prepared for the dominance of French economics during the 1750s and 1760s.<sup>32</sup> His knowledge of its Physiocratic fruits appears to have been confined to Quesnay's position on the grain trade as presented in the *Encyclopédie*.

Before discussing these 1750s references and their potential impact on Steuart's work more fully, some observations are necessary on the use Steuart appears to have made of the work of the French financial writers. Although they provided much of the factual detail for his extensive discussion of Law's system and hence more generally, for his views of

banking, credit and monetary circulation<sup>33</sup>, Melon's book seems to have been more widely useful to Steuart, hence supporting the remarks on its importance for the development of eighteenth century economics made in the previous section. Such a judgement is facilitated by Skinner's useful editorial notes which suggest the variety of Melon's possible impact on Steuart's economics. Examples include Steuart's discussion of the meaning of "system", population, luxury, the balance of employment doctrine as a guide to trade policy and the role of the statesman, on the last of which Melon is extensively quoted. More interestingly, Steuart singles out for special notice Melon's errors on banking and his failure to grasp its principles, confirming thereby the value of Melon's work in stimulating criticism, hence assisting the production of better explanations for such phenomena. This characteristic of Melon likewise illustrates the ease, as Steuart put it, by which "common sense may become nonsense ... a thing by no means peculiar to France, but quite peculiar to *man*".<sup>34</sup>

Steuart's direct use of the French sources from the 1750s seems relatively minimal. Goudar is quoted as a modern writer opposed to "bringing mechanism to perfection"<sup>35</sup>; Nickolls (that is, Plumart de Dangeul) is quoted on the temporal effect of a plentiful harvest on national food reserves, an observation which Quesnay reproduced from the same source in his article, 'Grains'<sup>36</sup>; *Le Reformateur* is cited on land tax reform in France, as is Vauban's *Dime royale*, the last being also noticed on problems associated with beggars and the need for an accurate population census by occupational groups.<sup>37</sup> This leaves Mirabeau's *l'Ami des Hommes*. The one direct reference Steuart made to this work is on population in relation to luxury and, more specifically, "prodigal uses" of land, a reference in fact critical of Mirabeau's position on this point.<sup>38</sup> Skinner's editorial notes provide guidance on other potential uses Steuart

may have made of Mirabeau's work. Not surprisingly, given the subject matter of Mirabeau's book, these concentrate on population. In addition, they deal with the notion of pyramidal class structure, stages of economic growth and the need to avoid discussion of theological issues on the legality of interest in an economic treatise.<sup>39</sup> It can therefore not be said that French economics profoundly influenced the structure of Steuart's work.

Steuart's relationship with Physiocracy needs some further discussion. It is here difficult not to agree with Sen's conclusion that Steuart owed little to Physiocracy. This is evident from the fact that he seems to have taken his notion of agricultural surplus and its importance from Petty's account or, possibly, from that of Cantillon.<sup>40</sup> Careful study of 'Grains', of which Steuart's work in actual fact presents no traces, could have acquainted him with the Physiocratic conception of product net, and aspects of their complex price theory in relation to production and accumulation, the two contributions of that article subsequently singled out by Du Pont de Nemours.<sup>41</sup> It could also have alerted Steuart to Quesnay's work on agricultural production in the article, 'Farmers', and to the distinction drawn between la grande et la petite culture, during which Quesnay's observations on the productivity of capital in agriculture are so strikingly put forward. However, from the contents of the *Principles*, this likewise seems not to have been the case, perhaps because by the time 'Grains' came into Steuart's hands, he had virtually completed the initial draft of the first two books of his treatise, the preparation of which, given the nature of their contents, would have benefited most from a prior acquaintance with Physiocratic economics.<sup>42</sup>

This picture about Physiocratic influence alters considerably when the final case study for this essay is introduced: Adam Smith's *Wealth of*

*Nations*. There is no doubt that Smith took full advantage of the extensive developments in French economics which took place during the 1750s and 1760s when writing his famous treatise. This is demonstrable not only from the very representative collection of French work on economics in his library, but in the long list of sources Smith explicitly acknowledged in writing his book. The negative impacts on his economics from his acquaintance with Physiocracy he explicitly highlighted in the chapter devoted to their work; its more positive manifestations, although accurately delineated by Cannan many years ago, require more careful elaboration.<sup>43</sup>

The extent of Smith's acquaintance with French sources is revealed from the contents of his library. Its catalogue shows:

Smith owned Condillac's *Le Commerce et le gouvernement*, Dutot's *Réflexions politiques sur les finances et le commerce*, four works by Forbonnais including the *Elémens du commerce*, Le Trosne's *Recueil de plusieurs morceaux économiques*, Melon's *Essai politique sur le commerce*, Mercier de la Rivière's *L'ordre naturel et essentiel des sociétés politiques*, three works by Mirabeau the elder, namely *L'Ami des hommes*, *Théorie de l'impôt* and *Philosophie Rurale*, Montesquieu's *Works*, three works by Morellet, Necker's *Législation et commerce des grains*, Quesnay's *Physiocratie* (edited by Du Pont de Nemours), as well as ten volumes of the *Journal de l'agriculture, du commerce, et des finances* for 1765 to 1767 and the complete run of the *Ephémérides* from 1766 to 1769 inclusive which includes the major part of Turgot's *Réflexions* as well as many other writings by the leading Physiocrats.<sup>44</sup>

The Index of authorities appended to the Glasgow bicentenary edition of *Wealth of Nations* indicates that Smith used most of these sources, albeit in varying degrees, when writing his treatise, including the many Physiocratic works present in his library.<sup>45</sup>

The effects of that use on the contents of the *Wealth Of Nations* was effectively summarised by Cannan, more on the basis of intuition than careful textual analysis. Roughly comparing the contents of Smith's final treatise with his earlier *Lectures*, and this comparison continues to hold when extended to cover the early draft of the *Wealth of Nations* subsequently discovered by Scott, the additions to the contents of *Wealth of Nations* attributable to contact with the Physiocrats were said to include:

the introduction of the theory of stock of capital and unproductive labour in Book II, the slipping of a theory of distribution into the theory of prices towards the end of Book I, Chapter vi, and the emphasising of the conception of annual produce. These changes do not make so much real difference to Smith's own work as might be supposed. ... But to subsequent economics they were of fundamental importance. They settled the form of economic treatises for a century at least.<sup>46</sup>

Cannan's last sentence suggests the more permanent influence French economics as developed by the Physiocrats exerted on the future evolution of economic thought. However, it cannot really be said, as Cannan also attempted to argue, that the elimination of Book II, or at least its three chapters 1, 3, and 5 inspired by Physiocratic influence, would not be missed from his analytical framework. As Hicks has pointed out,<sup>47</sup> the core of the *Wealth of Nations* is contained in its Book II, chapter 3. Smith

himself in the introduction to his work implied the contents of this chapter explained the second cause of the *Wealth of Nations* he identified, that is, second after the primary importance of the impact of the division of labour on labour productivity which for him was the crucial factor in securing substantial economic growth. That second cause was the proportion of the national labour force employed in useful or productive labour.<sup>48</sup>

Smith's chapter on productive and unproductive labour also illustrates a striking similarity between his economics and Quesnay's analysis of economic growth in the *Tableau économique*. Eltis<sup>49</sup> has clearly demonstrated that the propensity to consume commodities produced in the productive sector was a key factor for Quesnay in explaining economic growth. This follows from the fact that when the demand for such products is translated into additional production, it also generates (additional) surplus product, something the productive sector (by definition) is only capable of doing. Increased surplus combined with buoyant demand for productive sector output allows a growth process to become cumulative for all sectors of the economy. Although Smith extended the definition of the productive sector to include manufacturing, he maintained Quesnay's principle of its distinguishing feature, that is, ability to generate a surplus. Hence Smith strongly associated higher proportions of the labour force used for productive purposes with greater surplus and greater rates of economic growth. In its essentials, Smith's explanation of the second cause of the *Wealth of Nations* strongly resembles the type of growth analysis offered by Quesnay's zig zag version of the *Tableau économique*, the implications of which Smith appears to have clearly grasped.

Likewise, Smith drew a number of important features of his capital analysis from suggestions offered by Quesnay's economics. An important

illustration is the distinction between fixed and circulating capital, which resembles, but is not identical with, Quesnay's division of capital into annual and original advances.<sup>50</sup> More interestingly, the peculiar Smithian analysis of employments of capital, with its important implications for the natural progress of opulence model Smith developed in Book III, derived from French contributions, more specifically Turgot's work. However, its comparative estimates of profitability between sectors derive largely from a more general Physiocratic perspective.<sup>51</sup> Other factors of similarity may be noted in the context of the theory of rent, where both Smith and Quesnay assign to rent a positive influence on price determination, instead of simply seeing it as a price determined surplus. These are further hall-marks of Smith's physiocratic stance on some issues. That Smith borrowed the French word 'distribution' from Quesnay (or Turgot) to describe his own theory of pricing productive services seems still the most plausible explanation for the entry of that meaning for the word into English usage, while Smith's conception of annual produce and its division into gross and net portions, discussed by him in the context of capital theory, seem likewise Physiocratically inspired.<sup>52</sup> No wonder that Smith at one stage intended to dedicate his *Wealth of Nations* to Quesnay, whose work he clearly recognised and acknowledged as an important inspirer of parts of his own system. Smith's major criticisms of the agricultural system did not stand in the way of his adaptation of some of its key features for his own economic analysis.<sup>53</sup>

The extensive holdings of French economics in Smith's library indicate he was aware of more than just Physiocratic work. It has often been shown that the influence of Montesquieu on Smith's work was extensive, particularly with respect to the scope of his research program. In addition, the extent of Turgot's influence on the *Wealth of Nations*, long a

matter of debate, has now been satisfactorily resolved.<sup>54</sup> However, for reasons that should by now be rather obvious, it is more interesting to make some remarks on the use Smith made of Melon's work. Melon is only indirectly referred to in the *Wealth of Nations*; all three identified occasions contained in Smith's chapter on the public debt. There he is referred to as the author who emphasised benefits from a substantial supply of public debt to economic activity, and the person who identified internal debt as an unimportant transfer payment owed by the right hand to the left, a remark to which Hume had earlier drawn attention. Finally, Melon's *Essai* may well have been used as a source of fact for remarks Smith made on debasement of the coinage in France, as a strategy for debt redemption policy Smith himself frowned upon.<sup>55</sup> However, Smith's fairly detailed account of Law's system in his *Lectures* does not seem to have used Melon's account to any extent; its factual basis tended to rely on accounts by Du Verney and Du Tot, the last despite Hume's warning that its factual accuracy needed to be treated with suspicion.<sup>57</sup>

After Smith, French influence on British economics during what remained of the eighteenth century, was partly indirectly diffused through Smith's work itself. However, Physiocratic impact continued to be felt in more direct ways, as did the influence of other notable French economic writers, including Turgot. The impact of French thought on Malthus and on English under-consumptionists at the turn of the century is a case in point.<sup>58</sup> Pursuing these matters takes the paper well beyond its self-imposed scope based on the specific case studies just presented. Their significance can now be assessed to bring the paper to its conclusion.

#### 4. Conclusions

The four case studies examined show a gradual increase of French influence on British economics rising to a crescendo in the case of Smith. This is not surprising. The authors in question all wrote at discrete time intervals over which the importance of French economics in the literature gradually rose to that peak in the 1750s and 1760s largely represented by the work of the Physiocrats. Their critical analytical impact on Smith's work preserved that influence to a significant degree since much of it was transmitted by Smith, albeit in a qualified form, to future generations. To a lesser extent, the same type of diffusion process of specific French influence can be seen in Cantillon's work in the sense that it acted as a vehicle for spreading some of Boisguilbert's notions to later generations, to the degree to which Cantillon had himself absorbed them.

The case studies of Steuart, and especially Hume, show the importance of another type of influence. This is the influence exerted by novel but erroneous ideas as a stimulus to criticism and new explanation. Melon's well known and well read *Essai* was identified as the key example of this type of influence. Steuart implied its wrong ideas on banking and credit stimulated his own search for better explanations of the mysteries and consequences of financial systems. In the context of Hume's economic essays, it was suggested that Melon may have been the irritant which, by becoming the general target for Hume's criticism, generated the broad range of issues of economic policy whose form and scope determined the contents of Hume's essays. Nearly half a century after its first appearance, Turgot had recognised in Melon's work its potential for such catalytic influence. Melon's *Essai* also signified the growing impact and authority of French

economics during the 1730s and 1740s, preparing the way for the peak performance of the 1750s and 1760s.

Quesnay's influence on Smith demonstrates the analytical importance of French 18th century influence on the future development of the subject. Cannan's classification of the Physiocratic contribution to the *Wealth of Nations* enables identification of its crucial components, the importance and nature of which is however more clearly grasped from more recent work. The accumulation of capital as a separate requisite of production and growth is a prime example of the importance of Quesnay's legacy for economics, particularly when combined with its division into fixed and circulating capital where the basis for that division is the extent to which the capital is consumed during the (for Quesnay annual) production process. The notion of gross and net revenue, especially as the focus for analysing the annual reproduction of wealth, is another major part of Quesnay's legacy. The same can be said for his use of the word 'distribution' to define the dispersal of annual product among classes, the disposal of which in turn generated the means and opportunities for its annual reproduction. Finally, Quesnay's division of the economy into productive and unproductive sectors and the implications of this he drew for the growth process remains one of his lasting contributions, exerted largely through the manner in which it was developed by Smith. Taken together, these four major influences on Smith make Quesnay undoubtedly the major innovative force in French eighteenth century economics, as Smith himself clearly recognised.

The discussion of the previous section also reveals that Quesnay was not the only French influence of note. From the start of the century, impact was exerted by Boisguilbert and Vauban especially, although the first to a

surprisingly hidden degree. Towards the end of the first half of the century French influence was exerted on British economics from the remarkable group of financial economists France produced and more fundamentally from the work of the great Montesquieu, whose role in the development of political economy within a new secular social science was so extensive. Finally, even during the period of the "golden age" of French economics in the 1750s and 1760s, when Physiocracy and other French writers dominated the field, to the benefit of English and other national schools of economics, Quesnay shared his dominance with other important writers, of whom Turgot was undoubtedly the most important.<sup>59</sup> The case studies here presented help therefore to capture both the changing pace, and the nature of, the substantial and varying influences French economics exerted on British political economists during the 18th century, the one century for part of which it can be said French economics dominated the subject.

## ENDNOTES

1. Terence Hutchison, *Before Adam Smith* (Oxford, 1988), for example, p. 12.
2. Peter Groenewegen, 'Pietro Verri's mature political economy of the *Meditazioni*: a case study in the highly developed international transmission mechanism of ideas in pre-revolutionary Europe', paper presented at a Conference on 'Political Economy and National Identity', Luigi Einaudi Foundation, Turin, September 1992, Tables 1 and 2.
3. Antoin Murphy, *Richard Cantillon: Entrepreneur and Economist* (Oxford, 1986), esp. pp. 246-51.
4. David Hume, 'My Own Life' in *The History of England* (London, 1802) volume 1, esp. pp. vi-vii, ix, xii-xiii.
5. See, for example, Hutchison, *Before Adam Smith*, pp. 164-5; Murphy, *Richard Cantillon*, chapter 13; Anthony Brewer, *Richard Cantillon. Pioneer of Economic Theory* (London, 1992), esp. chapter 9 which fails to explore French predecessors and potential influences.
6. A. Aspromourgos, *Studies in the Formation of Classical Economics*, especially Chapters 5 and 7, manuscript copy read by author.
7. Murphy, *Richard Cantillon*, esp. pp. 248-50, 274-9.
8. Richard Cantillon, *Essai sur la nature du commerce en général*, edited Henry Higgs (London, 1959) pp. 105, 159, and 187 for references to Bolzard, Vauban and *Etat de la France* respectively.
9. Jacqueline Hecht, 'bibliographie commentée' in *Pierre de Boisguilbert* (Paris, 1966), vol. 1, p. 520 and see in the same volume, J.J. Spengler, 'les théories économique de Boisguilbert', p.3; Higgs' attribution of the *Etat* to Boulaingvilliers is made in the index to his edition of Cantillon's *Essai*, p. 393. Inspection of Boulaingvillier's *Etat*

(London, 1727-28), Vol. I esp. p. 55, indicates that Cantillon's specific remarks on the decline of the Mantes wine industry cannot easily be attributed to this source.

10. Evidence for the presence of these propositions in Boisguilbert's work is conveniently provided in Jacques Nagels, *Reproduction du Capital selon Karl Marx: Boisguilbert, Quesnay, Leontiev* (Bruxelles, 1970), pp. 26-51; Gilbert Faccarello, *Aux origines de l'économie politique libérale: Pierre de Boisguilbert* (Paris, 1986); *Boisguilbert parmi nous*, ed. Jacqueline Hecht (Paris, 1989).
11. Anthony Brewer, *Richard Cantillon*, Chapter 9, esp. pp. 124-5.
12. Peter Groenewegen, 'Marx's Conception of Classical Political Economy: An Evaluation', *Political Economy: Studies in the Surplus Approach* (3) 1987, pp. 19-35.
13. An examination of the Kress Catalogue for these decades reveals the following characteristics. Although English language literature, not surprisingly, predominates in its holdings, much of it is peripheral and as compared with French economic literature for these decades introduces few new important authors. Examples of exceptions are Jacob Vanderlint, *Money Answers All Things* (1734) George Berkeley, *The Querist* (1735), Sir Mathew Decker, *Essay on the Decline of the Foreign Trade* (1744) and Josiah Tucker's *Brief Essay on the Advantages and Disadvantages of Great Britain and France with Respect to Trade* (1749). These are slight relative to the work by Melon, Du Tot and Montesquieu published in France, thereby showing that by this time French economics was at worst on a par with English writing on the subject, heralding the dominance it gained for some time during the 1750s and 1760s.
14. Hume, *Writings on Economics*, edited Eugene Rotwein (London, 1955), p. 6 n.1; Jean François Melon, *Essai politique sur le commerce*, in

*Economistes financiers du 18<sup>e</sup> siècle*, ed. E. Daire (Paris, 1843), p. 800.

15. Hume, *Writings on Economics*, p. 39, n.1.
16. Melon, *Essai politique*, pp. 763, 796-7.
17. Hume, *Writings on Economics*, pp. 92-3, note.
18. Melon, *Essai politique*, pp. 802-3, 805-7.
19. Hume, *Writings on Economics*, pp. 95-6, editorial note and cf. editor's Introduction, p. lxxxv.
20. Melon, *Essai politique*, p. 802.
21. A comparison of the table of contents of Melon's *Essai* and the titles of Hume's essays is an easy manner of testing this hypothesis, as shown in the Appendix to this paper, below, p. 34.
22. Hume, *Writings on Economics*, pp. 92-3, Du Tot, *Réflexions politiques* .... In *Economistes financiers du 18<sup>e</sup> siècle*, pp. 972-3.
23. Hume, *Writings on Economics*, p. 39n.; Du Tot, *Réflexions politiques* ... pp. 972-3.
24. Hume, *Writings on Economics*, p. 39 and n.; Du Tot, *Réflexions politiques* ....., esp. pp. 941 and 965, provides only loose support for this quotation from Hume. However, Du Tot in analysing the consequences of increased monetary circulation on prices suggests that logically three possibilities are open, proportional price adjustment and prices in greater or lesser proportion relative to the increased quantity of money. Time lags play a factor in this argument, as does Du Tot's realisation that price levels are influenced by real as well as by monetary factors (Du Tot, *Réflexions politiques*, pp. 972-3).
25. J.M. Keynes, *General Theory of Employment, Interest and Money* (London, 1936), p. 343 n.3. It should be noted that Keynes says



nothing in this context about the possibility of French influence on Hume on this subject.

26. It also neglects any further reference to Paris du Verney, who is mentioned together with Melon and Du Tot as a French author unaware of the beneficial consequences of a gradual increase in money; as unlikely in his case as in the case of the other two. I have discussed the importance of Montesquieu to the development of economics in the second half of the eighteenth century elsewhere. See my 'Turgot, Beccaria and Smith' in *Italian Economics Past and Present*, eds. Peter Groenewegen and Joseph Halevi, (Sydney, 1983) esp. pp. 48-50.
27. Du Bos, *Les interets d l'Angeterre mal entendus dans la guerre presente* (Amsterdam, 1704), pp. 44-6, esp. p. 46; Hume, *Writings on Economics*, pp. 65-6 and n. Du Bos' pamphlet is ostensibly a translation from an English pamphlet attributed in the preface to J. Child, an implausible attribution since Child had died in 1699. It is exceedingly well informed on the British literature, citing among others Sir William Petty, Sir William Temple and Charles Davenant.
28. Vauban, *Dime Royale*, 1707, pp. 26-27; as in the case of Du Tot noted above, the citation is not exact (see note 24 above).
29. Hume, *Writings on Economics*, pp. 83-9, esp. pp. 86-8 and Turgot to Hume, 7 September 1766, Hume to Turgot, late September 1766 and Turgot to Hume, 25 March 1767, in *ibid.* esp. pp. 211-3. The final editions of Hume's essays which he revised himself were published in 1768, 1770 and 1777. Hume's attack on the proposition that all taxes fall on the landlord was in the first instance directed at Locke, who had presented this position in his *Considerations* of 1691.
30. Turgot to Caillard, January 1771, in *Oeuvres de Turgot et documents le concernant*, ed. G. Schelle (Paris, 1913-23) volume III pp. 499-500.

31. That is, A.S. Skinner, editor, Sir James Steuart, *An Inquiry into the Principles of Political Oeconomy* (Edinburgh, 1966) Appendix C, pp. 739-40; S.R. Sen, *The Economics of Sir James Steuart* (London, 1957), Appendix C, p. 198, and earlier, E.A.J. Johnson, *Predecessors of Adam Smith* (New York, 1960), pp. 409-410..
32. For an evaluation of the Gournay contribution to the diffusion and encouragement of French economic thinking in the mid-1750s, see Antoin Murphy, *Richard Cantillon*, pp. 307-11.
33. That is, Steuart, *Principles*, Book IV Part II, Chapters XXIV-XXXV which occupy a good fifty pages of the second volume in the original edition. This discussion had essentially a critical purpose in stimulating Steuart to develop his own, superior doctrine on banking and credit. For all too rare evaluations of Steuart's theory, see A.R. Sen, *The Economics of Sir James Steuart*, esp. pp. 96-100; Douglas Vickers, *Studies in the Theory of Money 1690-1776* (London, 1960), chapter 12, esp. pp. 261-70 and Roy Green, *Classical Theories of Money, Output and Inflation* (London, 1992) esp. pp. 116-9.
34. Steuart, *Principles of Political Oeconomy* (Skinner edition), pp. 8n, 537n on 'systems', 30n and 43n on population, 136n on luxury, 291n on the balance of employment, 325n on statesman, pp. 539, 548-9 on issues in banking including the passage quoted in the text.
35. Steuart, *Principles*, p. 121 and n.
36. *Ibid.* 111 and n.; Quesnay, 'Grains', in *François Quesnay et la Physiocratie* (Paris, 1958) pp. 493-4 and for the attribution of 'Nickolls' work to Plumart de Dangeul, p. 471 n.9.
37. Steuart, *Principles*, pp. 727-8, 78-9; Vauban's procedures for constructing such a census are criticised by Steuart relative to the more modern and useful practises in this regard adopted by Prussian states.

38. Steuart, *Principles*, pp. 135-6.
39. Ibid., pp. 30n, 31n, 37n, 110n on population; 77n on pyramidal class structure; 181n on stages of growth; and 447n on theology and interest.
40. A.R. Sen, *The Economics of Sir James Steuart*, pp. 45-6; Skinner, Introduction to Steuart, *Principles*, pp. lxxv, lxxx, lxx and pp. 677-8n, the last of which comment on similarities between some views on taxation of Quesnay and Steuart. On the possibility that Steuart may not have seen Cantillon's *Essai*, see Ibid., p. 30n but for a contrary opinion, see E.A.J. Johnson, *Predecessors of Adam Smith* (New York, 1960), p. 409 where specific references to Cantillon are indicated in material on the Bank of Amsterdam omitted from the Skinner edition (however, Skinner, 564 n2, implies that these references could equally well have come from Melon's *Essai*).
41. Quesnay, 'Grains', p. 459 n.1, where Du Pont's remarks are cited. In comments on a draft of this paper, Tony Aspromourgos has noted that Steuart used the term 'fundamental price' (Steuart, 1767, p. 340; cf. pp. 159-61), a concept he very probably derived from Physiocracy.
42. A.R. Sen, *The Economics of Sir James Steuart*, p. 46. The absence of any detailed analysis of capital in Steuart's work, or of the interdependence of circulation, exchange and distribution in a circular flow analysis supports this contention.
43. That is, Adam Smith, *Wealth of Nations*, Book IV chapter ix, in which the Physiocratic system is both criticised and praised. Cannan's basically correct identification of the major analytical contributions for which the Physiocrats were responsible is in the introduction to his edition of the *Wealth of Nations* (New York, 1937), pp. xxxviii-xli. There is an enormous literature on this subject, to which reference is made in what follows.

44. Peter Groenewegen, 'A New Catalogue of Adam Smith's Library', *Economic Record* (44) 1968, p. 503.
45. Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, edited by R.H. Campbell and A.S. Skinner (Oxford, 1976) pp. 1009-18.
46. Cannan, introduction to *Wealth of Nations*, p. xxxdx.
47. John Hicks, *Capital and Growth* (Oxford, 1965), pp.36-40.
48. Adam Smith, *Wealth of Nations*, p. 10; Peter Groenewegen, 'Adam Smith and the Division of Labour: a Bicentenary Estimate', *Australian Economic Papers* (16) 1977, pp. 162-5.
49. Walter Eltis, *Classical Theories of Economic Growth* (London, 1984), pp. 15-21, 75-77 and esp. pp. 315-320, and his 'The Contrasting Theories of Industrialisation of François Quesnay and Adam Smith', *Oxford Economic Papers*, 40, 1988, esp. pp. 275-9, 281.; cf. Peter Groenewegen, 'Rehabilitating the Classical Notions of Productive and Unproductive Labour with special reference to their relevance to Taxation', in *Taxation and Fiscal Federalism. Essays in Honour of Russell Mathews*, edited Geoffrey Brennan, Bhajan Grewal and Peter Groenewegen (Canberra, 1988) Chapter 6, esp. pp. 85-7.
50. Smith, *Wealth of Nations*, Book II Chapter 1, cf. Marx, *Theories of Surplus Value* (Moscow, 1963) Part I, pp. 44.
51. Smith, *Wealth of Nations*, Book II, Chapter V, Book II, Chapter IV, pp. 356-9, Book III Chapter I, pp. 377-80; Peter Groenewegen 'Turgot and Adam Smith', *Scottish Journal of Political Economy* (16) 1969, pp. 279-81.
52. See Cannan, *Theories of Production and Distribution* (London, 1953) esp. pp. 144-9, esp. 145; Peter Groenewegen, 'Pseudo-distribution' in *New Palgrave Dictionary of Economics*, eds. John Eatwell, Murray Milgate and Peter Newman (London, 1987) volume 3, p. 1037.

53. Dugald Stewart, 'Account of the Life and Writings of Adam Smith', in Adam Smith, *Essays on Philosophical Subjects* (Oxford, 1980) p. 304.
54. I have done this in my 'Turgot and Adam Smith', pp. 171-87, and 'Turgot, Beccaria and Smith', pp. 31-78 and see the references there cited on Turgot and on Montesquieu's impact on Smith.
55. Adam Smith, *Wealth of Nations*, pp. 924 and n.50, 926 and n.52, 932 and n.\* Hume's use of Melon's perceptions of domestic debt as a transfer payment was mentioned in the previous section.
56. Adam Smith, *Lectures on Jurisprudence* (Oxford, 1978), p. 101.
57. Ibid. pp. 515-9 and see above, note 24 for Hume's warning about the accuracy of Du Tot's factual observations.
58. See for example, R.L. Meek, 'Physiocracy and the early Theories of Under-consumption', 'Physiocracy and Classicism in Britain', in *The Economics of Physiocracy* (London, 1962), pp. 313-63; Samuel Hollander, 'On Malthus' Physiocratic References', *History of Political Economy* (24) 1992, pp. 369-80.
59. In his comments on a draft of this paper, Tony Aspromourgos indicated that Turgot was undoubtedly the more intrinsically advanced theorist as compared with Quesnay, if only because of his generalisation of the importance of capital to all spheres of production, and his associated analysis of equalisation of rates of return of capital used in its various employments. His model of development likewise departed from Quesnay's agricultural 'kingdom' by moving on to the fourth, commercial stage of development. However, Quesnay's innovations made these advances possible, as Turgot himself indirectly admitted in his remarks on Melon cited previously.

## APPENDIX

### The Contents of Melon's *Essai politique sur le commerce* and the Titles of Hume's economic essays \*

<u>Melon's Essai</u>	<u>Hume's Essays</u>
Chapters	
I Foundations	Of Commerce
II Of Corn	Of Refinements in the Arts
III Of the Increase in Population	
IV Of Colonies	Of Money
V Of Slavery	Of Interest
VI Of Exclusive Companies	Of the Balance of Trade
VII Of Martial Government	
VIII Of Industry	Of the Jealousy of Trade**
IX Of Luxury	
X Of Exporting and Importing	Of Taxes
XI Of the Freedom of Trade	Of Public Credit
XII Of Specie as Money	Of the Populousness of
XIII Of the Ratio of Coin to Specie	Ancient Nations
XIV Of the Rebellion against Philip the Fair	
XV Of the Coinage during the reigns of Saint Louis and Charles VII	
XVI Of Debasement of the Coinage	
XVII Of the Dearness of Commodities	
XVIII Replies to some Objections	
XIX Various Observations on the Coinage	
XX Of the Exchanges	
XXI Of the Rate of Interest	

XXII Of the Balance of Trade

XXIII Of Public Credit

XXIV Of Political Arithmetic

XXV Of Systems

XXVI Conclusions

**Notes:** \* As given in the editions by Daire and by Rotwein used in this paper.

\*\* Added to the economic essays in 1758.

Apart from the obvious parallels between Hume's 'Of Money', 'Of Interest', 'Of the Balance of Trade' and 'Of Public Credit', and Melon's table of contents, Melon's Chapter X covers much of the scope of Hume's 'Of Commerce', his Chapter IX that of Hume's 'Of Refinement of the Arts'; his Chapter III, Hume's 'Of the Populousness of Ancient Nations', while only taxes do not find a strict counterpart in Melon's work. They were covered, among other things, in Melon's Chapter VIII.

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