

Harmony and the Balance: An Intellectual History of Seventeenth-Century English Economic Thought. *By Andrea Finkelstein*. Ann Arbor: University of Michigan Press, 2000. xix + 381 pp. Index, notes, bibliography. Cloth, \$55.00. ISBN 0-472-11143-4.

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How should the history of economic theory be written of an era wherein it was not considered an autonomous mode of inquiry but was subsumed instead under the headings of international trade, national accounting, and princely statecraft? This is the question that Dr. Finkelstein faces in her study of seventeenth-century English economic theory, a question to which she has only a partial, and rather unsatisfactory, answer. To be sure, she proves her point that Gerard de Malynes, Edward Misselden, Thomas Mun, Sir William Petty, Sir Josiah Child, John Locke, Sir Dudley North, Nicholas Barbon, and Charles Davenant cannot be regarded as precursors of the “science of economics,” or even as exponents of a “capitalist mindset.” Economists like Joseph A. Schumpeter and Marxist historians like C. B. Macpherson were clearly guilty of historical anachronism in measuring these authors with their own modernist yardsticks. Yet Finkelstein fails to avoid the pitfalls of historical anachronism herself, due to a lack of methodological sophistication and her own inability to recognize seventeenth-century economic thought for what it was: a minor branch of both politics and political theory. Finkelstein’s constant comparisons of seventeenth- and twentieth-century modes of economic thought are not just jarring; they also prevent her from discussing in any meaningful way the contributions that her nine authors may have made to English government policy in the seventeenth century. A different methodological approach, and a greater amount of archive-based research, would have allowed for a more historical treatment of her subject matter.

To Finkelstein’s credit, she convincingly shows that seventeenth-century Englishmen lacked important conceptual tools for economic analysis. With the exception of Barbon, her nine authors imagined themselves as living in a finite, hierarchical universe, where the disorder of the marketplace needed constant supervision and correction by political authorities. Their mantra remained remarkably unchanged over the course of a century. Foreign trade that failed to increase England’s bullion stock was universally condemned as harmful to the polity. Significantly, Thomas Mun defended the East Indies trade by arguing that the re-export of spices to the Continent brought more silver coins into the country than the East India Company had initially exported to Asia. Money was considered the “measure of trade” because of its intrinsic value (precious metal!), not because of the law of supply and demand. Hence the incessant gripes

about exchange-rate fluctuations and the nearly disastrous recoinage of 1696, the introduction of paper money being a fully unintended consequence. The concept of gross domestic product was also unknown in seventeenth-century England. Political arithmeticians like Petty and Davenant took their cue from double-entry bookkeeping and excluded domestic consumption, as well as services, from their calculations of England's national wealth. Indeed, Locke suggested that banks be abolished altogether in order to encourage the English gentry to lend money to merchants directly. A physician himself, Locke explicitly compared the circulation of money in the English economy with the circulation of blood in the human body, as discovered by William Harvey. He devised various ways to shorten money's circuit of circulation—bankers were dismissed as unnecessary middlemen—in the belief that a higher turnover rate would be beneficial to commerce. He was still the inhabitant of a finite universe, however, and could not imagine anything like absolute productivity growth. With the exception of Barbon, all thinkers discussed by Finkelstein regarded international trade as a zero-sum game, wherein England's gain was another country's loss. They called upon King and Parliament to increase the country's share of the world's bullion stock by discouraging domestic consumption, and they proposed a mixture of sumptuary legislation and high excise taxes to that purpose. The famous navigation laws of 1652 were meant to ensure England's dominance of the international carrying trade and the American colonies' continued dependence on the motherland, economically and otherwise. *In extremis*, war was considered an effective redistribution mechanism as well, quickly transferring wealth from one country to another: hence the three Anglo-Dutch wars of the third quarter of the seventeenth century. This was the brave new world of seventeenth-century mercantilism, which, *pace* Schumpeter and Macpherson, had little, if anything, in common with the "science of economics" or "possessive individualism."

Finkelstein postpones her discussion of mercantilism until the conclusion of *Harmony and the Balance*, however, and even then leaves the reader without a clear sense of her own stance in the historiographic debate. Does her evidence support the "statist" school of Eli Heckscher—mercantilism as "state building" and "state monopoly capitalism"—or the "wealth" school of Jacob Viner—mercantilism as a means of "economic development" (pp. 248–9)? Or does she propose a third alternative? Unfortunately, Finkelstein offers few new insights, apart from her commonsensical observation that the economic literature of seventeenth-century England was "mercantile" in nature because it was written by "merchants, mercers, and goldsmiths who financed them" (pp. 251–2). Although she recognizes that most of their writings were addressed to the English government, she dismisses this salient fact as a commonplace of Renaissance moral philosophy and a mere reflection of "practical reality": "most of the economy

was still heavily regulated by the state” (p. 252). Her reconstruction of English economic theory in the seventeenth century is greatly impaired by her refusal to give serious thought to its political and ideological components.

If Finkelstein had done more archival research on the interconnection of politics and political theory, instead of relying on the *Calendar of State Papers* and the *Dictionary of National Biography* for constructing minibiographies of her nine authors, she could have imparted a truly historical focus to *Harmony and The Balance*. For example, we are told that Mun wrote *A Discourse of Trade* (1621) in defense of the East India Company, but we are not informed whether the company directors explicitly commissioned its publication or whether the House of Commons accepted his arguments for stimulating the country’s re-export trade. Similarly, we learn that Child, Locke, and Davenant appeared before the Lords Justices in 1695 to advise on the projected recoinage, but we do not find out whether their views on currency reform were incorporated into English government policy. The continual back-and-forth between seventeenth- and twentieth-century modes of economic thought that mars *Harmony and the Balance* would have been literally unthinkable if she had pursued these promising avenues of research.

Yet *Harmony and The Balance* suffers from not just a lack of historical focus but also from an unsophisticated methodology. Strange to say, Finkelstein ignores the methodological innovations of the Cambridge School of Political Thought, even though her citations of John Pocock, James Tully, and Richard Tuck show her familiarity with their research on early modern political discourse and language, which has revolutionized intellectual history in the past thirty years. Indeed, she informs us in her introduction that she has no reason for selecting Malynes, Misselden, Mun, Petty, Child, Locke, Barbon, North, and Davenant as her objects of study, other than their prominence in the secondary literature: “they appear more frequently than their peers in histories of economic thought” (p. 5). Her attempt to put them “back into their century” would have met with greater success, however, if she had been less respectful of received tradition in modern economics departments and more receptive toward the Cambridge School methodology, which can easily be applied to the study of early modern economic thought. This, together with her unpolished prose, makes for a rather disappointing read.

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of the Santa Catarina and Its Justification in De Jure Praedae (1604–1606),” will appear in the Asian Journal of Social Science (2003).