History, Administration and Public Economy in the Political Economy of the 18th century

Federico D'Onofrio – VERY ROUGH DRAFT DO NOT QUOTE

I. Political economy emerges as science of commerce, both in the space of public treatises and governmental procedures and implies a new approach to facts, there is the use of information collected through the administration but also a new gaze on books, archaeological materials.

« On entend mieux le commerce en France depuis vingt ans qu'on ne l'a connu depuis Pharamond jusqu'à Louis XIV. C'était auparavant un art caché, une espèce de chimie entre les mains de trois ou quatre hommes qui faisaient en effet de l'or, et qui ne disaient pas leur secret. Le gros de la nation était d'une ignorance si profonde sur ce secret important qu'il n'y avait guère de ministre ni de juge qui sût ce que c'était que des *actions*, des *primes*, le *change*, un *dividende*. »[1]

Stephen Kaplan and Sophus Reinert have underlined an "economic turn" that took place around the 1750s.[2] Nevertheless, commerce emerges already in the late 17th and early 18th century as a key category of human action. Although the cluster of themes that coalesced around commerce will then be included in political economy, economy is still hardly separable from its Aristotelian meaning that connects it with the expenses of the household, the food supply of armies or monasteries etc. as it is made evident by an examination of administrative documents of the period. It is commerce instead that connects together a group of interrelated topics and debates: industry and agriculture, luxury and frugality, the right population of a state, the value of money. The notion of commerce itself became more specialized and came to define not just any kind of human exchange but a specific type of exchange, involving goods. Thus, eighteenth century society defined itself as a Commercial Society, in contrast to the ancient societies of Rome and Greece, which appeared to the writers of the period as dominated by war.[3] It is from the new science of commerce that political economy, or "economia civile" as it was sometimes called in Italy, evolved.

A science of commerce, as literary genre, appeared in France in connection with the Gournay circle of government officials, merchants, and financiers, soon becoming a widely read genre. However, as witnessed by their translations of John Cary's pamphlets, the members of the Gournay circle relied on English contributions focused primarily on the policy recommendations.[4] It was a science intended to guide the administrators in a complicated connection with the public debate. At the same time, it is important to underline that published texts – pamphlet, treatises, essays – were but the tip of a vast iceberg of texts on the topics of trade, demography, industry, money, that were written by various groups for various reasons and variously addressed to the new institutions of the modern state: projects, recommendations, petitions, etc. Writers were "bearers of an expertise" in matters of trade, but, in the heavily guarded and censored publishing space of continental Europe, most of their writings were produced primarily for government committees,

[1] "Observations Sur Mm. Jean Lass, Melon et Dutot Sur Le Commerce, Le Luxe, Les Monnaies, et Les Impôts (1738)," in *Œuvres Complètes de Voltaire*, vol. 22, by Voltaire (Garnier, 1879), 359.

[2] Steven Kaplan and Sophus Reinert, eds., *The Economic Turn: Recasting Political Economy in Enlightenment Europe*, Illustrated edition (Anthem Press, 2019); Steven Laurence Kaplan, *Raisonner sur les blés : Essais sur les Lumières économiques* (Fayard, 2017).

[3] Michael Sonenscher, *Before the Deluge* (Princeton University Press, 2009); Michael Sonenscher, *Capitalism: The Story behind the Word*, First paperback printing (Princeton University Press, 2024).

[4] Arnault Skornicki, *L'économiste, la cour et la patrie* (CNRS Éditions, 2011), https://shs.cairn.info/l-economiste-la-cour-et-la-patrie--9782271072382; Loic Charles, "Le cercle de Gournay : usages culturels et pratiques savantes," in *Le cercle de Vincent de Gournay: savoirs économiques et pratiques administratives en France au milieu du XVIIIe siècle*, ed. Loïc Charles et al. (INED, 2011).

academies with a semi-governmental status, magistrates of different kinds and rank.[5]

What I will argue in this article is that this science of commerce came with a new approach to facts, which had multiple origins. While most of the literature so far concentrated on the connections between the new science, Newtonian physics and natural history, I will try to stress the contribution of history and antiquarianism to the new conception of fact.

The appearance of a peculiarly modern fact in political economy has been the object of Mary Poovey's *History of the modern fact*. She makes a number of claims:

1. the **"modern fact"** is not a timeless unit of truth, but as a **historically produced epistemological category** that emerges in early modern Europe (roughly the 17th and 18th centuries). The modern fact is a **unit of knowledge that claims to be objective and theory-independent**, produced by specific techniques of representation, and sustained by a cultural commitment to separating facts from interpretations;
2. Its neutrality rests on a widespread use of statistics and numbers which is a result of a the scientific revolution of the 17th century, which combines empiricism (Bacon, Locke), political arithmetick as practiced by William Petty among others, and the spread of mercantile mentality embodied in double-entry bookkeeping;
3. The modern fact provides evidence for arguments.

Poovey's argument is captivating and maybe even convincing at a superficial level, but it is very limited in geographical scope (it is heavily anglo-centric), it overestimates – it seems to me – a specific approach to data namely *political arithmetick*, and misunderstands the role of double-entry book-keeping. Most of all, in its (postmodern) attempt at making a dent in the supposed "objectivity" of the quantified sciences, forgets how broad in fact the origins of modern facts were. It is hard, in fact, to write a history of modern facts without referring to the developments in philology and history that took place in the 17th and 18th century and most all contributed to the development of politics (including the science of commerce) and of legal practices. In the following sections, I will sketch this alternative history of the rise of political economy, stressing precisely how a "modern fact" coalesced in the science of commerce together with the innovations that were taking place in philological and antiquarian studies. I will thus examine how few key authors of the science of commerce dealt with the new antiquarian and philological methods …

II. Approach to facts is shared by writers about commerce and others: the literature has mostly stressed the connection with scientists, Newtonian science, and there should be an investigation on lawyers and legal practices. Here we conduce instead and examination of antiquarians – which is similar to legal practices in that both refer to the archive as a central site of investigation.

Thus, while the literature has stressed the connections between the science of commerce (and eventually political economy) and the Newtonian science and Linnean taxonomies,[6] I would like to investigate here the connections between writers on commerce and the developments in the way scholars discussed the past and its documents. There is a long tradition that has stressed the changes that happened in the course of the 17th and 18th century: first a historical analysis of texts emerged, especially from biblical studies, that questioned the reliability of received texts and investigated their true history, authorship, construction.[7] This stimulated a wave of textual skepticism that culminated with the work of the Père Hardouin who questioned the very chronology

[5] Daniela Ciccolella et al., *Consulte, rappresentanze, progetti per l'economia del Regno di Napoli. I. 1734-1739*, I (ITA, 2021), xiii, https://doi.org/10.48217/MNDNCL01.

[6] Margaret Schabas, *The Natural Origins of Economics* (University of Chicago Press, 2005).

[7] Sebastiano Timpanaro, *La Genesi Del Metodo Del Lachmann*, seconda edizione rivista e ampliata (Editrice Liviana, n.d.), accessed May 24, 2026, https://search.worldcat.org/title/469545422.

of European history and claimed that the civilizations of ancient Rome and Greece were inventions of Renaissance forgers. Part of the response to Hardouin was a renewed interests in artefacts and the materiality of documents, which combined with a new approach to remnants of ancient civilizations and physical monuments.[8]

This kind of source had been until then the preserve of Antiquarians. Historian Philipp Salber defined antiquarians in opposition to historians: "What is antiquarianism and what is history then?" he asked and replied: "The first (often called, without further qualification, "history") is the narrative of public events organized in linear and causal fashion; the second, antiquities, is a more diverse body of writing that neglects political narrative for philosophical, literary, topographical, and other concerns."[9] Antiquarianism did not only mean attention to a new kind of evidence, but also a new way of looking at ancient (and, increasingly, medieval) texts to understand the general development of civilization, coinage, weights, administrative divisions, the functioning of various institutions etc, beyond the classic focus of history on politics.

Historian and philologist Arnaldo Momigliano, in a path breaking article, claimed that during the 18th century, the kind of precision that had dominated the work of antiquarians infiltrated history writing and combined with the tradition of philosophical histories to produce a new historical method which had the conceptual pregnancy of philosophical history, but the span and documentary anchoring of antiquarianism.[10] What I claim here is that this new attitude also shaped writings about commerce in the 18th century. In particular, the attempts at establishing quantified facts as evidence for economic policy – one of the central tenets of Poovey's hypothesis about the modern fact - were strictly linked to this new attitude towards sources. References to Newtonian science appear thus to mark a difference between mechanics and the art of government, whereof the science of a commerce is a part. Ferdinando Galiani, a high-ranking Neapolitan official and writer of political economy, wrote for instance that: "And just as it was not difficult to form the System of planetary motion from the astronomical observations of many centuries, so it is in the science of governing. And it is maybe for this reason that historians, especially those who wrote detailed histories about their own time, were always considered masters of politics."[11]

The new antiquarian gaze was not only directed at ancient sources and published historical records, but also to archival sources that were accessible to those writers who were also part of the government apparatus as ministers, secretaries, head of the mint, etc. In this way, I take stock of a recent "archival turn" that shaped historical studies on the early modern state and that stressed the importance of archival documents for governmental apparatuses and the judiciary.[12]

III. Three arguments: money, finances, demography showing the use of historical evidence in the science of commerce

To show this, I select three themes: money, public finances, and demography and a number of authors who wrote in English, French and Italian. I am persuaded that the sample could be extended both in terms of languages and topics.[13] These topics are central to the science of

[8] Alain Schnapp, *La Conquête Du Passé: Aux Origines de l'archéologie* (Editions Carré, 1993).

[9] Mark Phillips, *Society and Sentiment: Genres of Historical Writing in Britain, 1740-1820*, with Mark Salber Salber Phillips (Princeton University Press, 2000), 297–98.

[10] Arnaldo Momigliano, "Ancient History and the Antiquarian," *Journal of the Warburg and Courtauld Institutes* 13, no. 3/4 (1950): 285–315, https://doi.org/10.2307/750215.

[11] Ferdinando Galiani, *Della moneta libri cinque* (presso Giuseppe Raimondi, 1750) (my translation).

[12] Jacob Soll, *The Information Master: Jean-Baptiste Colbert's Secret State Intelligence System* (University of Michigan Press, 2009), https://doi.org/10.3998/mpub.243021; Filippo De Vivo et al., *Archival Transformations in Early Modern European History*, in *European History Quarterly*, vol. 46, no. 3 (SAGE Publications Sage UK: London, England, 2016).

[13] Sophus Reinert, "Blaming the Medici: Footnotes, Falsification, and the Fate of the 'English Model' in Eighteenth-Century Italy," *History of European Ideas* 32, no. 4 (n.d.): 430–55, https://doi.org/10.1016/j.histeuroideas.2006.08.005.

commerce, although it also comprised other things (discussions of luxury, of the advantages of agriculture over manufacturing etc.), and they are characterized by increasing sophistication in the attempts at creating a quantified framework for discussion.

Finances

Finances, that is public finances, is where historical and archival documents are the most significant and their use can be understood most easily. Writers on commerce dug documents out of archives in order to assess the evolution of public debt and government income and argue in favour of their tax plans. François Véron Duverger de Forbonnais, for instance, published in 1758 his *Recherches et considérations sur les finances de France depuis l'année 1595 jusqu'à l'année 1721*, when he was inspecteur général des monnaies and had access to a variety of documents about French finances dating back to the 16th century. He did not consider this research (p. 9) just "curieuse" but "nécessaire aux Politiques". His goal was to describe the "maxims" of government and their effect to evaluate them. He was therefore capable of mounting a consistent defense of the policies of the Duke of Sully and of Colbert based on the material collected in the archives concerning government expenses, revenue, debt and tax rolls.

Money

Money was a characteristic topic of antiquarian concern. The Maurist monks of Saint-Germain-des-Prés for instance, famous for the antiquarian erudition of Montfaucon and Mabillon, published a monumental *Science des Medailles*, for instance. Not only were coins considered crucial material sources for the understanding of history – they could be put in a reliable chronology, they reflected political change, the portraits of the rulers they bore betrayed their personality, etc – but different currencies appeared in ancient texts, including the Bible and required their relative values to be determined. The Scottish physician John Arbutnoth, published for instance a *Tables of ancient coins*, 1731, where he tries to calculate the conversion rates of various ancient coins. There was an acute sense that money was a historical phenomenon.

Ferdinando Galiani in his *Della moneta libri cinque* discussed the expediency of using monies of account and fix them by law. He underlined the instability of the world surrounding humans but also its endless repetition and circularity, which made it possible so substitute a slowly changing measure for an impossible constant measure of value: "Nothing is less to be hoped for in this world than perpetual stability and firmness, because this is entirely repugnant to all the orders and to the very genius of nature; just as, on the contrary, nothing is more uniform with her nature than that constant return of the same accidents, which in a perpetual circle, now more slowly, now less slowly, envelop themselves within certain limits, and that infinity which they do not have in progression, they have in rotation. Therefore, a constant and immutable measure need not be hoped for or sought."

Significantly, Galiani contrasted this instability in human affairs, with physics which found a true and stable measure for the three things that matter: time, space, motion: "Truly in our age, in which the world has advanced so far along the path of light and truth that it seems to be approaching some great goal and not far from it, physicists have succeeded in finding the immutable measure and the marvelous union between time, space, and motion, the three great measures of the whole: having measured time by the course of the Sun, and found a way to divide it into equal particles, which are measured by the oscillations of the pendulum; and from the length of the earth already determined in the various parts, and from the speed of the oscillations discovered, these three great measurements are linked together by a perpetual bond" Not so for prices.

According to Galiani, money and value are historical phenomena and thus to be determined historically, and it is pointless to establish their measure by law. His demonstration of this point is carried out by referring to the *arrets* issued by various kings of France, Henri III and Henri IV. While Henri III tried to fix the value of a money of account by law in 1577, the consequences of his decision proved not only that it was impossible to fix the value of money, but also that this kind of attempt was dangerous. This was proven by the numerous complaints against the law that were recorded until Henri IV abolished it. Galiani goes as far as saying that: "What a wise man can deduct from this edict sheds light on the entire science of money. In I. we see that this representation exposes the damage done by raising the coin: but this has not, nor can have, any connection with the money of account, and it would have been more reasonable to ask for a debasement, rather than what was decided in the edict."

Thus, historical examples of policies and their effects are key evidence, according to Galiani, in favour of against given policies, including the heated debate on the enhancement or debasement of money.

The same point can be made about Hume. In his *Of the balance of trade*, not only he resorts to his famous thought experiment and metaphor of vessels[14], but he also refers to assessments of the quantity of money circulating in Tudor England. Even more interestingly, he discusses credit and interest rates in *Of the populousness of the ancient nations*, which we will discuss later on.

Demography

Of the populousness of the ancient nations opens with a remark on historical change: "There is very little ground, either from reason or observation, to conclude the world eternal or incorruptible. The continual and rapid motion of matter, the violent revolutions with which every part is agitated, the changes remarked in the heavens, the plain traces as well as tradition of an universal deluge, or general convulsion of the elements; all these prove strongly the mortality of this fabric of the world, and its passage, by corruption or dissolution, from one state or order to another." In this continuous change, facts about the past – Hume complains – are rarely available. What is left to the historian are thus reasonings which will reveal evidence.

Hume soon gives an example of this by examining in a radically innovative way well-known ancient sources:

"Great interest of money, and great profits of trade, are an infallible indication, that industry and commerce are but in their infancy. We read in **Lysias** of 100 *per cent.* profit made on a cargo of two talents, sent to no greater distance than from **Athens** to the **Adriatic**: Nor is this mentioned as an instance of extraordinary profit. **Antidorus**, says **Demosthenes**, paid three talents and a half for a house which he let at a talent a year: And the orator blames his own tutors for not employing his money to like advantage. My fortune, says he, in eleven years minority, ought to have been tripled. The value of 20 of the slaves left by his father, he computes at 40 minas, and the yearly profit of their labour at 12. The most moderate interest at **Athens**, (for there was higher often paid) was 12 *per cent.*, and that paid monthly. Not to insist upon the high interest, to which the vast sums distributed in elections had raised money at **Rome**, we find, that **Verres**, before that factious period, stated 24 *per cent.* for money which he left in the hands of the publicans: And though **Cicero** exclaims against this article, it is not on account of the extravagant usury; but because it had never been customary to state any interest on such occasions. Interest, indeed, sunk at **Rome**, after the settlement of the empire: But it never remained any considerable time so low, as in the commercial states of modern times."

Here he links the topic of money and population to show that the population might not have been very great in the ancient world if rates of profits were so high. The reasoning is exquisitely quantitative, and examines literary sources through the lens of economic theory.

Shortly afterwards, in the 1750s, the Neapolitan Antonio Genovesi built upon the debate between Hume and Montesquieu to argue that the Kingdom of Naples had been much more populous in antiquity, before being conquered by the Romans. To assess the population of the kingdom in the past and to compare it with the kingdom's current population was, to Genovesi, a key indicator of the effectiveness of Neapolitan institutions. He and his pupil Giuseppe Maria Galanti, tried to estimate the current population of the kingdom based on the available

[14] Margaret Schabas, "Hume's Monetary Thought Experiments," *Studies in History and Philosophy of Science Part A* 39, no. 2 (2008): 161–69, https://doi.org/10.1016/j.shpsa.2008.03.003.

administrative data and Necker's sampling method.[15] They relied on medieval and early modern censuses to assess the population during the middle ages and Spanish rule (1500-1700), but had to resort to antiquarian conjectures to estimate the population in Roman and pre-Roman time. While their guesses were wild (they assumed that the territory of the kingdom had about twice as many inhabitants before the Roman conquest than it had in 1760), the method well-represented the new scientific paradigms of the Enlightenment.

IV. Conclusions: the modern fact was a historical fact

Ted Porter claimed that economists of the 18th century, except for Condorcet, were not serious practitioners of quantifications. Yet, based on what was showed above, I would argue that he was not looking at the right kind of arguments. Instead they looked at numbers in unusual places and deducted indirect measures of the phenomena they were discussing.

Which history mattered? Certain mentions of historical facts are merely rhetorical quotes, quotations available to everyone, mostly from ancient historians that everyone was familiar with. Common genres of economic writing, such as the dialogue or the essay, favoured this kind of superficial use of history, which was in itself rather traditional. Other uses, though, were more ambitious and more complex. Salber Philips argues that history opened up to trade in the 18th century. Although British historiography led this process, this was not an exclusive concern of the most commercial society in Europe. The inclusion of trade and demographics in historiography is consistent with the great changes that invested the notion of politics since the 17th century. Politics came to include oeconomie politique, or the concern for the material welfare of the citizens. History had always supplied the evidence for the science of politics. Its extension to the material life of Kingdoms and peoples merely continued this tradition: when politics had been understood as mostly a matter of war and peace and regime changes, history had dealt mostly with these issues. When politics came to be understood in a much broader way, history had to become broader and study ancient trade and finance and demography. But data on trade, society, demographics, unlike those on politics, were not so easily accessible in ancient historiography. They had to be retrieved, either by philological and antiquarian fact checking or from other sources, obscure passages, material remnants, forgotten documents.

The modern fact, thus, if ever there was anything like that was intrinsically related to the new historywriting practices of the 18th century. The question though remains open about the relationship between new historiography and legal and government practices of the period.

[15] Anna Maria Rao, "Galanti, Simonetti e la riforma della giustizia nel Regno di Napoli (1795)," *Archivio Storico delle Province Napoletane* CII, nos. 281–341 (1986).