

Mercantilism. An Interpretation

Lars MAGNUSSON

重商主義

— 一つの解釈 —

ラース・マグヌソン

1.

From Adam Smith onwards the view of the mercantile system, or simply mercantilism, as a theory and practice of state *dirigisme* and protectionism in order to support a special interest has been commonplace. Its theoretical core was according to the same view the positive balance of trade theory. This Smithian invention was developed and carried further in the 19th century by classical political economy¹⁾. In France Auguste Blanqui and in Britain J R McCulloch was most influential in creating this image of mercantilism. In the 1830's Richard Jones argued that the 17th century had seen the emergence of a protective trade system which built on “the almost romantic value which our ancestors set upon the possessions of the precious metals” (Richard Jones). Hence mercantilism was based on the King Midas folly and could be describes as a mere fallacy. Certainly, already Hume and others before him had used a simple specie-flow argument to correct this mistake: a net-inflow of bullion must certainly mean a relative rise of prices which through the export and import mechanism will tend to correct itself. Hence, Smith and his followers were only happy to draw the conclusion that the argument for protection and against free trade was based on a mere intellectual mistake. Ever since then the concept “mercantilism” designates a system of economic policy as well as an epoch in the development of economic doctrines during the 17th and 18th century before the publication of Adam Smith's pathbreaking “The Wealth of Nations”. The bulk of what is commonly known as “mercantilist literature” appeared in Britain from the 1620s up until the middle of the 18th century. Among the first mercantilist writers we find Thomas Mun and Edward Misselden in the 1620's, while James Steuart's “Principles of Political Oeconomy” (1767) is conventionally thought of as the perhaps last major “mercantilist” work. The mercantilist writers – in Britain and elsewhere – were preoccupied with the question how the nation should become prosperous, wealthy and powerful. It is without doubt that they regarded international trade and industry as of especial importance in this context. This

general agenda can also be traced in English, Italian, French etc., economic texts from the 16th century onwards. From that point of view Italian writers such as Giovanni Botero (1544-1617) and Antonio Serra (1580-?) as well as Spanish writers such as de Vitorias, de Soto, de Azpilcueta and Luis de Ortiz during the 16th century were perhaps the first “mercantilists”.

The main architect of the mercantile system of economic thinking, according to Adam Smith, was the English writer and tradesman Thomas Mun (1571-1641). Moreover, Smith argued that behind these ideas stood a mercantile special interest which used the idea of a positive balance of trade in order to propagate for a protective trade policy in general including duties on imports, tariffs, bounties, etc. According to Smith the mercantile system implied a giant conspiracy on behalf of master manufacturers and merchants in order to skin the public and the consumers. This view on mercantilism as a policy of rent seeking developed by special interest has in recent times been further elaborated by economists inspired by positive and public choice theory, especially Robert E Ekelund and Robert D Tollison who have defined mercantilism as “a rent seeking society”.

It seems that the concept “mercantilism” first appeared in print in Marquis de Mirabeau’s “Philosophie Rurale” in 1763 as *systeme mercantile* although it was used by other Physiocrats as well during the same period (for example by Gournay). In France during this period the concept was utilized in order to describe an economic policy regime characterized by direct state intervention in order to protect domestic merchants and manufacturers in accordance with 17th century Colbertism. However, the main creator of “the mercantile system” was as we saw Adam Smith. According to Smith the core of the mercantile system – “the commercial system” as he called it – consisted of the popular folly of confusing wealth with money. Although the practical orientation of the mercantilist writers – Smith acknowledged that most of the mercantilist writers were businessmen, merchants and government officials which wrote mainly about practical things concerning trade, shipping, the economic effects of tariffs and protection of industries, etc. – they proposed a simple principle or theory: namely that a country must export more than it imported which would lead to a net-inflow of bullion. This was the core of the much discussed so-called “positive balance of trade theory”.

During the 19th century this viewpoint was contested by the German historical school which preferred to define mercantilism as state-making in a general sense. Hence the doctrines of mercantilism was no mere folly. In short they were the rational expression of nation building during the early modern period. The definition of mercantilism as a process of state-making during a specific historical epoch first appeared in a series of articles published 1884-1887 by the German historical economist Gustav Schmoller. “Mercantilism” was the term he used to designate the policy of unity and centralization pursued by espe-

cially the Prussian government during the 17th and 18th centuries. Hence also mercantilism expressed the economic interest of the state and viewed economic wealth as a rational means to achieve political power. With his roots among older German historicists such as Wilhelm Roscher and Friedrich List Schmoller argued that the core of mercantilism consisted of *dirigist* ideas propounding the active role of the state in economic modernization and growth. The much debated balance of trade theory was perhaps misguided as a theory. However, it was rational in a more general sense in its emphasis regarding the pivotal role of protectionism and infant industry tariffs in order to create a modern industrial nation.

These two widely different definitions on mercantilism is certainly not easy to straddle. However, an attempt was made by the Swedish economic historian Eli Heckscher who in his massive “Mercantilism” (1931) attempted to present mercantilism both as a system of economic thought and of economic policy. As a broader school of economic doctrine he very much accepted Adam Smith’s description. He agreed upon that the balance of trade theory was at the core of the mercantilist doctrine. Moreover he agreed that it was a folly which later on was upset by modern thinking, such as Hume’s specie-flow-mechanism. He explained the core of the positive balance of trade theory by pointing at what he believed was a distinct “fear of goods” dominating the popular mind during the 17th century. This fear of goods and love of money was, according to him, an expression of the transition from a barter to a money (gold and silver) economy which took place during this period.

However, Heckscher also regarded mercantilism as a system of economic policy. And as such its logic was – as the historical economists emphasized – nation making. Hence with the aim of pursuing the goal of national power the mercantilists developed a number of nationalist economic policy tools, including tariffs. Hence, the British Navigation Acts as well as the establishment of national standards of weights and measurements, a national monetary system, etc., could be viewed as the outcome of the same mercantilist policies.

It is not easy to grasp in Heckscher’s synthesis how mercantilism as a system of economic theory and policy relate to each other. Certainly, this laid the ground for grave misunderstandings. Thus for example by By Jacob Viner from Chicago Heckscher was unfairly and wrongly interpreted as a follower of Schmoller and as such a defender of mercantilism against the liberal free trade doctrine of Adam Smith. Viner emphasized that the main characteristic of the mercantilists was their confusion of wealth and money. In contrast to Heckscher’s more complicated picture he portrayed them as simple bullionists.

Another response to Heckscher became common in the heated discussion which took place over mercantilism in the 1950’s and 60’s. Already in 1939 A V Judges had vigorously rejected the notion of a particular mercantilist doctrine or system. Mercantilism had neither a common theoretical core nor any

priests to defend the gospel, he stated. His rejection of mercantilism as a coherent system was later taken up by a number of British economic historians. For example D C Coleman outrightly denounced the usefulness of mercantilism both as a description of economic policy and of economic theory; it was “a red-herring of historiography”. Its main problem was that it gave a false unity to disparate events and ideas. Hence mercantilism was not a school of economic thinking and doctrine as for example the Physiocratic school of the 18th century.

Thus, it is certainly correct that mercantilism was no finished system or coherent doctrine in the 19th and 20th century sense. However, while “mercantilistic views” mainly appeared in pamphlets which dealt with economic and political issues of the day, it does not necessarily imply that economic writers during the 17th and early 18th century composed economic texts without some common aims, views and shared concepts in order to make intelligible the complex world of economic phenomena. Hence, it is perhaps better to perceive that the mercantilist writers shared a common vocabulary to argue for specific political and economical viewpoints. On the other hand, Coleman et al were certainly right when they stressed that commentators such as Schmoller and Heckscher overemphasized the systematic character of mercantilism as a coherent system both of economic ideas and economic policy more or less directly stemming from these doctrines.

2.

Through Smith’s original invention and with the help of his followers a view of the mercantilist writers and doctrines have been established which make them more “old-fashioned” than they actually were. Thus rather than to be the opposite of Smith writers of this branch can to a large extent be regarded as forerunners to Smith and the liberal school. Any direct knowledge of their texts will suggest that they were not totally devoted to *dirigisme*. Moreover, their methodology and demand- and supply analysis formed the nucleus of modern theorizing later on.

Also other views commonly held regarding mercantilist writers seems not to be totally accurate. I will list some of them:

First, it is unfruitful to think of mercantilism as a well-structured doctrine which contained a number of well-settled principles by which to describe economic behavior and/or prescribe the right policy measures. Nor was it a doctrine organized around a fallacious identity drawn between money and wealth or a “fear of goods”. Moreover, it is not very fruitful to regard mercantilism as an all-encompassing phenomenon appearing from country to country during most of the early modern period. Rather, it is clear that this was mainly a British phenomenon. This does not exclude – as we have emphasized – that many of the

ideas in the British mercantilist discussion also can be found elsewhere during this period. On the contrary, as we have seen, in the early economic political discussion in Spain, Italy and France several of these ideas came to use, but the political, cultural and institutional context was quite different.

Secondly, from Adam Smith to Jacob Viner in the 1930s the orthodox view that the mercantilist writers had confused money with wealth has been repeated over and over again. However, more recent research has agreed upon that this explication is simply faulty. Although Viner bring forward a number of citations to support his view they are taken out of context and does not provide a fair illustration of contemporary views. In fact, the Midas-interpretation has no real support in actual texts from this period at all. For example in 1699 Charles Davenant – one of the most famous “reform” or “tory mercantilists” – wrote: “Gold and Silver are indeed the Measure of Trade, but that the Spring and Original of it, in all nations is the Natural or Artificial Product of the Country; that is to say, what this Land or what this Labour and Industry Produces”. It is quite clear that a majority of writers from Thomas Mun and Edward Misesden in the 1620s by and large agreed with this statement. Some of them might have added that to have abundance of money in the country was of great importance for economic progress and the wealth of the nation. But this did not at all imply that money was identical with wealth. Rather, many would argue that a net inflow of money was a barometer which signaled whether a nation won or lost in its trade with other countries. Others would say that abounding money would help to speed up intercourse in the market place and stimulate to growth and development. Thus, a net inflow of money could be a means to **procure** wealth; but wealth itself was always the result of production and consumption.

Thirdly, as we saw, during the 19th century historical economists like Roscher and Schmoller interpreted mercantilism as the theory and practice of state-making. Rather than being a shallow camouflage of private rent-seeking – as envisaged by Smith – mercantilism was a reflection of the modern state bureaucracy and its interests. To some extent this interpretation was also incorporated into Heckscher’s synthetic work on mercantilism: “mercantilism as a system of power”. However, this was only one aspect among others mentioned by Heckscher in order to understand what mercantilism really was. Hence it is wrong to see Heckscher as a mere fellow-travelling historical economist. On the contrary, he objected loudly to be placed within this tradition as Viner and others writers have tended to place him.

To what extent this interpretation of mercantilism as state-making is accurate or not is not easy to say. However, if we read carefully especially the British mercantilist literature it is notable how seldom these authors refer to a particular state interest. Certainly, it is the aim of these writers to find means and ways to enrich the nation. Moreover, they often emphasize how increased wealth is a precondition for a strong and military powerful state. However, in the bulk of this literature to enrich the state or the prince is by no

means an end in itself. Hence, there seems to be quite a big difference between this literature and for example the German cameralist literature of the 18th century or for that matter with the French *economique politique* as it was developed by Laffemas and Montchretien in the early 17th century.

From another point of view it is of course also arguable whether it is possible to see a clear and direct line between mercantilism perceived as a set of economic ideas and the policies of 17th and 18th century states. Especially for the historical school – as well as Heckscher – it seemed natural to draw a clear line of correspondence from economic **ideas** to economic **policies**. Hence, mercantilism has often been regarded as an excuse for protective policies by the state during *l'ancien regime*. On the contrary, as it seems, most of the leading English mercantilist writers were quite critical of the protective policies of the early modern state. Although they by no means can be characterized as free traders, as we discussed, their most significant feature was the attempt to locate the limits of *dirigism* rather than to praise it in all circumstances. In this respect there is no any significant difference between the early and late 17th century English writers. Hence it is misleading when several interpreters have drawn a clear line of demarcation between a more “liberal” and a more “protectionist” phase during the 17th century and says that it was only in the late 17th century that “mercantilism proper” emerged. Certainly, many from the 1690s and onwards drew the conclusion that the British textile industry must be protected from the inflow of cheap calicoes from India. Furthermore, during the same period many argued that England lost in its trade with France and for that reason must protect itself. Nevertheless, a majority of debators seems to have been hesitant to allow state policies to interfere too much in the working of the economy. A minority was even in principal terms against more protection (especially the “Tory free traders”, to use W J Ashley’s famous phrase).

Lastly, it is difficult to find any hard evidence for that the English mercantilist writers supported a favorable balance of trade because they saw an advantage in higher prices. According to such an interpretation the mercantilists were nothing more or less than supporters of price inflation. However, for example Mun understood well that part of the specie-flow argument which stated that an inflow of money would necessarily imply rising prices. For the bulk of the 17th century writers on economic and trade issues the quantity theory of money was a standard presupposition. As Viner stated, there were in fact very few price inflationists among the English mercantilists. Instead a majority instead agreed upon that high prices would cause lower exports – i e they argued that elasticity of demand was considerable on most export markets.

Hence, neither the Midas-foley nor the idea that the mercantilists sought to fill the prince coffers with bullion or believed in price inflation seems to have any real support in the texts themselves. In order to

find a more realistic understanding of the doctrine of the favorable balance of trade Max Beer in his "Early British Economists" (1938) suggested that the crux of this "doctrine" was the idea of the need for more money in circulation: "a struggle for liquid assets". Hence, a main worry of the economic writers in England of the 17th and 18th century was that the shortage of money would curtail economic development. This was a main problem especially for example England as it had no silver or gold mines of its own. A solution to this dilemma could only be an importation of money from abroad. As bullion only could be obtained in exchange for goods **one** possible interpretation of the favorable balance idea might be the existence of an export surplus of **goods** would mean that gold and silver could be obtained without having to sell more wares than would be brought into the country. Hence as a result, the kingdom's stock would be enlarged both in wares **and** money.

Another interpretation has been suggested – first by J D Gould – which take Thomas Mun's complex discussion in his "England's Treasure by Forraign Exchange" (1664) as a point of departure. As pointed out by Viner, Mun was certainly aware of both the quantity theory of money as well as the existence of demand elasticity. So why did he not follow this line of thought and state that an inflow of money could not be obtained over a long period as an increase of prices would only lead to less foreign demand (in accordance with the specie-flow-mechanism later on developed by Hume) ? According to Gould Mun simply believed that an increased stock of bullion could be used as liquid capital in order to finance a greater volume of trade. This would then imply that Mun – perhaps originating from the factual circumstance of the day with the bulk of the capital stock made up by liquid capital assets – identified money with capital.

However, it is possible to interpret Mun in another manner as well. Mun as well as many others during this period seems to have feared that without a steady inflow of money originating from a favorable balance of trade, trade and industry would stagnate, price on land fall, etc. They seem to have feared the situation that the circulation of goods might expand so fast that it lead to a shortage of money. This could not be remedied merely by an increase in the velocity of money – which importance in the quantity theory equation was of course acknowledged already in the 16th century. Instead, to counter this shortage of bullion in circulation a steady inflow of money through a net trade surplus was necessary. Nor would it cause inflation as a positive net inflow was necessary in order to cope with increased levels of trade activity (the V in the famous quantity theory).

However, which interpretation we choose of the favorable balance of trade it is clear that this "theory" was abandoned in its simple form by most writers already in the end of the 17th century. Some argued that the principle was impractical as a policy goal as it was impossible to account for a trade surplus in quantitative terms. Other found problems on more theoretical grounds – i e directly or indirectly admitted to the

argument later known as the specie-flow-argument. Instead, from the 1690's writers such as Josuah Child (1630-1699), Charles Davenant (1656-1714) and Nicholas Barbon (1640-1698) developed a new idea which alternatively has been called the theory of "foreign-paid incomes", the "labour balance of trade theory" or the "export of work" theory. Instead of holding on to the dogm that a country should receive an inflow of bullion through the balance of trade, these authors stressed that a country should export products with as much value-added content as possible and import as little of such products as they could. The more manufactured goods were exported the more income would accrue to England, they thought. The profit would come from that the buyer – Spain, Portugal or other countries – would not only pay England for its raw materials but also for its laborers. Certainly, such a "labor balance theory" – which found its most mature version with James Steuart in the 1760's – is very far in kin from the "bullionist" idea that an inflow of money makes the country rich. Most certainly, it served as an excuse both for high duties on the import of manufactured wares as well as for subsidies for infant manufactures.

3.

Thus mercantilism was an all-European literature of pamphlets and books which mainly dealt with practical political economy roughly between the late 16th century and 1750. The common theme in this literature was the question how to achieve national wealth and power. In the bulk of this literature these two goals were looked upon as identical. Most specifically, the Dutch example provided an argument for that economic wealth could be achieved by increased international trade, a great population as well as more manufactories utilizing increased division of labor. While ready during the Reinassance many instructions – in Machiavellian style or as in the specific German *Furstenspiegel* – how a state should become prosperous and mighty the novelty with this literature was its emphasis on foreign trade and commerce. It was an understatement that foreign trade was a specifically fruitful way to increase the prosperity of a certain state. Through foreign trade specialization could occur and modern manufacturers be established. By means of international trade also a country could sell industrial manufactures and instead buy raw materials. This was what the theory of "foreign-paid incomes" – as we saw – said and emphasized: namely to export as much value-added content as possible and import as little of such products as they could. Then profit would pour in as the buyer – Spain, Portugal or other countries – would not only pay England for its raw materials but also for its laborers.

Moreover, an increase of international trade and manufacture could only be accomplished by propounding sound laws and the establishment of effective institutions. Thus, most writers were unwilling to put their sole faith in the self-equilibrating forces of the market places in order to achieve wealth and

growth. On the other hand, as many argued, too much interference in the laws of demand and supply could be as harmful as too small.

Especially Thomas Mun was keen to understand how the Dutch republic had become such an island of plenty. In fact the publication of his famous “England’s Treasure by Forraign Trade” (1664) – the “manifesto” of mercantilism according to Adam Smith – was posthumously published by Mun’s son at a time when England was more or less constantly at war with Holland. His explanation was of course that behind its rapid success was that it had out-competed the English and forced them out of many profitable trades, including the North-sea herring fishery. And less export trade meant that more had to be bought from outside with dear money. Later on during the 17th and during the 18th century the preoccupation was instead with France. Hence the influential “General Maxims of Trade”, written by Theodore Jansen as a commentary on the peace of Utrech between England and France in 1713, discussed how different means of nationalist economic stance should be used in order to outwin the French. Among those means tariffs, support for domestic manufactures etc., were especially emphasized.

4.

In the sense that mercantilism was such a ideology for economic protection in order to achieve domestic growth it is not at all only applicable to the pre-Adam Smith period. As we saw, the 19th century saw the rise of a strong reaction towards the gospels of free trade propounded by British classical political economy. Hence both in Germany and America a protectionist school emerged which had much in common with at least 18th century mercantilists such as James Steuart.

However, the rise of a special school of “national economics” was mainly something which occurred outside England. Hence, a line of foreign writers, among which the most predominant were the Americans Alexander Hamilton (1757-1804) , Matthew Carey and Henry Carey (1793-1879) as well as the Swabian born adventurer and economist writer Friedrich List (1789-1846) developed ideas which was based on the quest for national industrial protection. Although quite distinct in temper, style and ideas they shared the view that an agricultural economy was always inferior to an industrial economy. Moreover, especially List and the Carey’s, father and son, stressed that the “cosmopolitanism” developed in much English economics during the time was false and in reality concealed the fact that free trade was a tool for preserving England’s superiority as an industrial leader. It is usually emphasized that the first “national economist” was the American Alexander Hamilton Before the American congress in 1790 he presented a “Report on Manufactures”. Hamilton was familiar with Smith’s “Wealth of Nations”; “...so well in fact as to be able to mold it to his own visions of practical possibilities or necessities and to percieve its limitations, according

to Joseph Schumpeter. In this report Hamilton presents a number of arguments for the protection of infant industry which has been commonplace ever since.

In the middle of the 19th century Hamilton's follower argued that British free trade was injurious to less developed countries and, secondly, that economic theory and practice should be relative to the particular stage of economic development at which point a certain nation was situated. Such ideas of "national economics" were even more pronounced with Friedrich List who in fact were highly influenced by the American discussion on free trade and protection. In his famous, "Das Nationale System der politischen Ökonomie" (1846), List constructed a stage theory of economic development in which a nation started out from free trade in its agricultural stage, turned protectionist during its early days of industrialization and then in its mature stage returned to free trade. He fiercely attacked the false or "chimerical cosmopolitanism" of the British which he regarded as a cloak for self-interest – that nations peculiar version of "individualism". Instead each nation must concentrate on the building-up of their own "productive forces" and not to forget the future for the immediate present. Moreover, it was only through such a national build-up of productive powers that true cosmopolitanism can be achieved in the future, he argued.

Certainly, mercantilist ideas can also be traced in modern forms of protectionism which has appeared during the 19th century. For example, Heckscher's synthesis was aimed to propagate for liberal and free trades ideas against protectionism and economic nationalism which were so characteristic during the middle war period. Hence, albeit Heckscher's insistence upon that mercantilism was a false ideology – free trade was better for economic growth at least in the long run – it was hailed as a form of popular economics of common sense during most of the 19th century as well as later on. As such it still exists to some agree but it has made its presence especially during periods of economic problems – such as the 1920's and 30's.

Also, after the Second World War such ideas have made themselves felt in the form of neo-mercantilism and strategic trade theory. From the end of the 1970's strategic trade theorist such as Lester Thurow, James Brander, Barbara Spencer and Paul Krugman sought to replace Torrens and Ricardo's theory of comparative advantages with something which the writer Michael E Porter prefer to call "competitive advantage". Their argument has been that the pattern of international trade can not be explained on the basis of comparative advantage or with the help of the simple Heckscher-Ohlin theorem. Instead, the flow of international trade is a consequence of scale and scope, economic muscles and increasing returns to scale. Thus the basis of the Brander-Spencer model and pleas for "strategic trade policy" was that countries which through early investments had reached a strong position in a certain export market for a particular good would tend to keep such a leading position. In case where competition is not perfect (and

who can not find such instances?) sunk investments will lead to barriers of entries – at least in industries with a high value added or high-tech content – which in its turn will serve as a competitive advantage. The political implications of this was pretty straightforward: governmental support could bring forward a competitive advantage for a certain industry which would be of long-run gain for a specific nation. Certainly, this was another way to defend the infant-industry argument with clear implications for trade policy. An often used example used by the strategic trade policy theorists has been the fierce competition between the airplane builders Boeing in America and Airbus in Europe. Without doubt, as these theorists would argue, the active support of the government is of great importance for a certain nation's position in the international division of labor.

*

Interpreted in this general way, mercantilism once again becomes state-building by economic means: a promotion of growth and economic modernization in an international competitive *milieu*. To some extent also, it becomes identical with protectionism. However, the danger with this approach is that mercantilism becomes a too broad and encompassing concept. It once again turns into a wide description of an economic policy which has been pursued by nation states throughout their history. Instead a more historical reading of what mercantilism is more fruitful. At its core it was a discussion taking place roughly between the late 16th and late 18th century emphasizing the role of international trade and manufacture for economic growth and modernization. However, it was never a coherent theory with a “favorable balance of trade” theory at its core to the extent Adam Smith and others have tended to interpret it over the two last centuries.

Bibliography:

- Appleby, Joyce Oldham *Economic Thought and Ideology in Seventeenth Century England*. Princeton U P: Princeton 1978,
- Ashely, W J “The Tory origin of free trade policy”, in his *Surveys. Historical and Economic*. Longmans: London 1900.
- Beer, Max *Early British Economics*. Allen & Unwin: London 1938.
- Brander, James A and Spencer, Barbara J “Export Subsidies and International Market Share Rivalry” *Journal of International Economic*, 16 (1985).
- Coleman, D C (ed) *Revisions in Mercantilism*. Methuen: London 1969.
- Davenant, Charles *An Essay Upon the Probable Methods of Making a People Gainers in the Ballance of Trade*, London 1699.
- Ekelund, Robert E and Tollison, Robert K *Politicized Economics. Monarchy, Monopoly and Mercantilism*. Texam

- A&M University Press: College Station 1997.
- Gould, J D “The trade crisis of the early 1620’s and the English economic thought” *Journal of Economic History*, vol. XV (1955).
- Grapp, William D “The liberal elements in English Mercantilism”. *The Quarterly Journal of Economics*, 4 (1952).
- Heckscher, Eli F *Mercantilism*, vol I-II. Allen & Unwin: London 1955
- Herlitz, Lars “The concept of mercantilism” *Scandinavian Economic History Review*, vol XII (1964).
- Janssen, Theodore “Maxims of Trade” in King, Charles *The British Merchant*, vol IV. London 1721.
- Johnson, E A, *Predecessors of Adam Smith. The Growth of British Economic Thought*. Prentice Hall: New York 1937.
- Krugman, Paul (ed) *Strategic Trade Policy and the New International Economics*. Cambridge M I T Press: Cambridge 1986.
- Magnusson, Lars *Mercantilism: The Shaping of Economic Language*. Routledge: London, New York 1994.
- Magnusson, Lars “The controversy on Free trade and Protectionism-an Introduction”.
- Magnusson, Lars (ed) *Free Trade 1793-1886, voll-IV*. Routledge: London and New York 1997.
- Perrotta, Cosimo “Is the Mercantilist Theory of the Favourable Balance of Trade Really Erroneous” *History of Political Economy* 23:2 (1991)
- Perrotta, Cosimo “Early Spanish Mercantilism: The First Analysis of Underdevelopment”, in Lars Magnusson (ed) *Mercantilist Economics*. Kluwer: Boston 1993
- Porter, Michael E *Competitive Advantage*. Free Press: New York 1985.
- Schumpeter, J A, *History of Economic Analysis*. George Allen & Unwin: London 1972.
- Semmel, Bernard *The Rise of Free Trade Imperialism*. Cambridge U P: Cambridge 1970.
- Viner, Jacob “Early English Theories of trade”, *Journal of Political Economy*, I-II, vol 38 (1930).

注

- 1) On the role of invention see Lars Magnusson *Tradition of Free Trade*. London: Routledge 2004.