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MERCANTILISM

MERCANTILISM

by

ÉLI F. HECKSCHER

Authorized Translation

by

MENDEL SHAPIRO

VOLUME ONE

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ERRATA

P. 29 (footnote, line 4), for Cuningham read Cunningham.

P. 314, line 31, for Maddox read Morgan.

The calendar years corresponding to English regnal years have been somewhat incorrectly given in some cases. Thus 39 Eliz. is 1596/7 (not 1597/8, as is said in several places: Vol. I, pp. 258 n. 43, 264 n. 48, 265 n. 49).

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"The Kingdom of Heaven is compared, not to any great Kernel or Nut, but to a Grain of Mustard-seed; which is one of the least Grains, but hath in it a Property and Spirit, hastily to get up and spread. So are there States, great in Territory, yet not apt to Enlarge or Command; and some, that have but a small Dimension of Stem, and yet apt to be the Foundations of Great Monarchies."

BACON, *Of the true Greatness of Kingdomes and Estates* (1625)

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PREFACE

At one time I felt greatly tempted to imitate Dr. J. H. Clapham, in his *Economic History of Modern Britain*, by dedicating the English edition of the present book to the memories of Alfred Marshall and William Cunningham. But as I felt quite sure that they would have had many objections to the book, I gave up the idea, in order to prevent them from turning in their graves. I do not, however, foresee that calamity as a consequence of my expressing the great debt I owe to both of them. Particularly Marshall, for although my personal contact with him was slight, his *Principles* were not only the starting-point of my theoretical studies, but have also profoundly influenced my approach to economic history.

The present book is intended as a contribution to the history of economic policy as a common European problem. But this does not at all mean that a uniform treatment has been accorded to all countries. Britain and France have come to the forefront in most of the chapters, for the reason that the developments studied originated with them during the period under consideration. Were we concerned with the Middle Ages, quite different parts of the European community would have had to be studied; and I do not attempt to deny that, even as it is, the number of facts to be marshalled may have tempted me to push Germany, Italy and the Scandinavian countries more into the background than has been altogether satisfactory. At all events, the reader must not expect a description of mercantilist policy in each country separately, except in so far as that has been found necessary for the understanding of common European developments.

For the book is meant to be read as a whole, not as a collection of facts. For that reason the fundamental features have been given only in their outlines and have afterwards been illustrated by a detailed treatment in some chosen fields. Among these fields, I am afraid that an English reader will miss that of colonial policy, which has not received separate treatment, though there are numerous contributions to it in different parts of the book. But upon mature consideration I have, regretfully, come to the conclusion that such a treatment would not have given a harvest at all comparable to the very great space it would have required. Another serious limitation is the sketchy treatment accorded to the 18th century in many places. The reason is that its peculiar character appears to me to come out better when studied as the battle-ground between mercantilism and what came after

it; and I have some hopes that this will be done with regard to economic ideas, where I have drawn the line by 1720 more sharply than in the rest of the book.

While the book is meant as a whole, its component parts have been rounded off, so that they may be studied separately, though something is of course always lost by so doing. The first Part, which covers the first volume, is occupied principally with external facts, what was done and omitted in actual policy. The remaining four Parts, dividing the second volume between themselves, are more concerned with the conceptions underlying the policy pursued. Throughout it has been attempted to bring the facts into connection with general developments, analysing them theoretically at the same time. With rather insignificant exceptions, original sources have been used, though previous works have of course often showed the way to them. A detailed Table of Contents will, it is hoped, give a general synopsis of the book, and the remarks introducing and concluding the chapters have the same object in view. An extensive Index, which is the work of my wife, is meant to give easy access to the particular facts.

Though I have tried to give my reasons for every conclusion reached, the views of other scholars have not as a rule been discussed. Exigencies of space have a great deal to do with this, but also a feeling that polemics have rather been overdone in economics and economic history. In a general way it may be said in this place, that the method of treating all sorts of disconnected tendencies, paving the way to modern economic conditions, under the common name of "modern capitalism" appears to me confusing and a thing to be shunned; to some extent it appears to be the outcome of an insufficient attention to economic theory.

Even if that were not so, the present book would have comparatively little to say about the growth of capital or "capitalism". For it is mainly concerned with the attempts on the part of political bodies to influence economic developments, not with these developments in themselves. Economic changes as a whole and their component parts are considered only in connection with economic policy, though from that point of view they are treated at some length.

The first edition of the present book was published in Swedish by P. A. Norstedt & Söner in Stockholm in the spring of 1931. A German edition, from which the present translation has mainly been made, was issued by Gustav Fischer in Jena in the autumn of 1932. A not inconsiderable amount of new material has been

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worked up for each edition. In particular, by visits to the British Museum, the Goldsmiths' Library and the Bibliothèque nationale I was able to study some writings inaccessible in Sweden, and part of them has been utilized for the first time in the present edition. The changes from the first edition are not very important however, being mostly confined to the footnotes.

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