

Chapter 6

Montesquieu on Commerce

The traditional emphasis on unity in political thought we discussed in the previous chapter accompanied a distrust of commerce, with its division of labour, difference between buyers and sellers, class differences, specialization, and conflicts of interest. In Part IV of *The Spirit of the Laws* Montesquieu decisively rejects that vision, and develops what comes to be known as the *doux commerce* thesis: commerce and trade soften and polish what had been harsh, warlike, and barbaric values. They have transformed the modern world and drawn it together. Although they have also provided the occasion for new kinds of international injustices through imperialism and colonialism, they tend to encourage toleration, peace, and justice. Montesquieu's doctrine of the separation of powers shaped constitutional thought in the United States and elsewhere. His general approach to legal reform and criminal justice, his support for constitutional moderation, and his opposition to despotism were crucial for subsequent liberal political thought. But his account of commerce was probably his most important, transformative contribution to the social thought of the era of Enlightenment and to the development of what became liberal social theory. By putting the development of commerce at the center of his account of the transformations in European politics, and by developing an account of trade and exchange that stressed their moral advantages, he paved the way for the intellectual revolutions of the next few decades that were associated with the Scottish Enlightenment. *The Spirit of the Laws* was a widely acknowledged source and influence for the ideas subsequently developed by such authors as David Hume, Adam Ferguson, and Adam Smith.

The discussion of commerce immediately followed what strikes modern readers as the strangest part of *Spirit of the Laws*: a long account of the importance of geography and climate on human societies and politics. Much of this admittedly looks silly in light of what we've learned since Montesquieu's

day about human biology: discussions of cold weather numbing the capacity for pleasure and pain, or hotter weather increasing the appetite for love. But some of it reflects a kind of wisdom that even now social scientists have to rediscover every generation or two: that the geographic location of a society, whether mountainous or full of fertile soil, landlocked or an island, has tremendous importance for its prosperity and politics. The same institutions don't suit every country in the same way, and local physical conditions affect the possibilities for local human societies. Here we see an important contrast with the highly abstract political theories of the previous century's contractarians such as Hobbes, Locke, and Spinoza: these conditions are not of human creation, but they nonetheless constrain what humans can simply decide to do or create in their political societies.

This part of the book unites Part III's discussion of geography and climate with Part IV's analysis of commerce. While laws can regulate, affect, limit, or channel commerce, they do not fundamentally *create* it. The rise of commerce and trade in the modern era was not created by any legislature or constitution or single state; while starting in Europe, it has reshaped the world.

Montesquieu's narrative history of the "revolutions" of commerce reaches back to Greek and Roman antiquity, and spans a great many topics, but a few stand out as influential both for the Enlightenment and for liberalism. First is the tendency of commerce to reduce both aggression at the individual level and war at the societal level. This is not only, though it is in part, because one can simply buy someone else's goods rather than fighting for them at risk to oneself. It is also because of the moral *habits* commerce inculcates: a moderate respect for justice at the expense of both heroic military virtue and a barbarous love of violence. We become different people, and our societies become different societies, when buying and selling crowds out other activities. Those who focus only on the highest possibilities of human moral character, such as Plato, might see this as a corruption; but Montesquieu as always is more interested in preventing the worst outcomes than in pursuing the best. If commerce reduces the number of Platonic philosophers but also the number of wars, it is well worth it.

Second, commerce "polishes manners." The development of polished manners—the English words *polished* and *polite* derive from the same French root—was of great interest to eighteenth-century social thinkers, Hume and Smith as much as Montesquieu. How do we become people who engage in

conversation that allows for a discussion of ideas? “Exchange” and “intercourse” were widely used to describe both polite conversation and trade relations; Montesquieu established the intellectual foundation of the relationship between them. A give and take between equals characterized both and set them apart from the barbarous relations of violence and domination.

Third, commerce taught, and encouraged, toleration. Montesquieu here devotes special attention to the history of Jews in Europe: subject to constant persecution and the expropriation of their goods and land at the hands of Christian rulers, they developed tools such as bills of exchange for rapidly moving funds around Europe and the Mediterranean. When wealth could move so quickly, rulers could not simply seize it, and had to reach new accommodations with the Jews under their rule.

Finally, and related to all of the previous items: increasing commerce made it unavoidably apparent to states and rulers that they were bound by social facts outside their direct control. The example of Jews moving funds from country to country is a vivid example, but the fundamental case is that of prices. Montesquieu points out that a ruler can no more successfully set the level of prices than he can insist that $1/10$ is equal to $1/20$; there’s an underlying truth to the ratio of exchange between different goods. The reality of supply and demand means that attempts to fix a lower price for food than the market price will lead to famine. Montesquieu was one of the first to explain why the brutal Spanish conquest of Central and South America and its extraction of silver from those lands had not made Spain rich. Rather, it had flooded Europe with silver whose real price could not be effectively legislated either in terms of gold exchange or in terms of the prices of ordinary goods. While he did not bring the same level of clarity and sharpness to the analysis of inflation that Hume and Smith did later on, Montesquieu introduced the core idea that the rules of supply and demand, even as applied to the metals used as money, were outside of state control.

All of this, Montesquieu maintained, gradually taught moderation and lawfulness to the states of Europe, at least domestically and among themselves. (Their behaviour in Africa and the New World was another matter.) Where “Machiavellianism” taught that states could do whatever they wanted, acting in their own best short-term interest, commerce gradually forced them not only into peaceable relations but into law-abidingness. Montesquieu was the first of the great social thinkers to understand that political discretion was

curbed and constrained by market forces, and that states that didn't want to abandon themselves to isolated poverty would have to respect stable ownership, the free-market determination of prices, and international peace.