



Montesquieu's Moderation: Commercial Innovation and Public Responsibility in Eighteenth-Century Britain and France

Book Prospectus

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In *Montesquieu's Moderation: Commercial Innovation and Public Responsibility in Eighteenth-Century Britain and France*, I consider Montesquieu's conception of political moderation in the context of John Law's economic system in France. (1716-1720) The book tells the story of how Montesquieu and key figures of the Scottish Enlightenment confronted the civic challenges associated with the gradual financialization of eighteenth-century European governments. In examining how the political thought of this period responded to the collapse of the Mississippi and South Sea Bubbles of 1720, the book recaptures a conceptual space in the famous eighteenth-century commerce and virtue debates, which rejects the dichotomy that politics must either wholly be grounded on genuine morality or on individual self-interest. I present Montesquieu as a pivotal figure in these debates, whose theoretical assessment of commercial society made him a powerful interlocutor to contemporaries who reconciled their own theories of politics with the lower moral possibilities of commercial modernity. I argue that Montesquieu was a deliberately ambivalent figure, who embraced the spirit of commerce, but warned about its dangers if left untamed. In detailing his Mandevillian enthusiasm for commerce on the one hand, and his nostalgia for the classical politics of the ancients on the other, *Montesquieu's Moderation* presents a moderate perspective that avoids the clash between a liberalism of self-interest and a republicanism of selfless civic virtue. My book investigates the precise dynamics of such a reconciliation through the lenses of James Harrington, Bernard Mandeville, Montesquieu, David Hume, Adam Ferguson and Adam Smith, and emphasizes their shared propensity for social distinctions, which constituted a principal motor capable of producing honour in a society increasingly preoccupied with commerce.

The first part of the book is grounded in historical analysis. It deepens our understanding of why John Law serves as Montesquieu's avatar for despotism throughout his political writings. In exploring the institutional and intellectual context of the collapse of the Mississippi Bubble (1720), I cast light on why Law threatened to produce a despotism of the most pernicious sort. Unlike traditional threats to free, moderate government that stemmed from absolute princely rule or clerical power, the form of despotism that concerned Montesquieu *most* came from a fusion of financial and political power. More specifically, he feared that Law's financial system fed into an emerging commercial culture of the time, which perceived money and personal wealth, rather than public spiritedness, as the greatest arbiter of social standing. In response to this perceived cultural pathology, Montesquieu reinvigorates France's institutions of honour to foster a hierarchy of value in the public mind that privileges civic engagement over wealth and commercial success.

The second part of the book is grounded in textual analysis. I consider how Montesquieu, David Hume, Adam Smith and Adam Ferguson responded to the hazards of commercial innovation with a view towards enlarging our understanding of eighteenth-century moderation. By



examining how their political economy concerns shaped their conceptions of liberty and honour, my book maps out the trajectories of two distinct ideas of free, moderate government, first identifiable in the political thought of Montesquieu and Hume. I then trace the ongoing unfolding of these ideas in the political thought of Smith and Ferguson as the objects of commercial considerations shifted a generation later. I argue that Montesquieu and his Scottish counterparts were attuned to the pathological features of commerce and liberal modernity more generally, but they understood that commerce was power in the eighteenth century and that Europe cannot turn the clock back. It is why their political writings identify vestigial sources of virtue particular to their respective nations that they deemed indispensable for keeping everything on even keel. Here, *Montesquieu's Moderation* delineates an underexplored perspective in foundational liberal political thought, which embraces the freedom and dynamism of commerce, but equally aims to integrate commercial Europe's emerging elites within the body politic.

My methodological approach in *Montesquieu's Moderation* is sensitive to historical context. I equally employ a panorama of careful textual interpretive methods, balanced by the liberal application of canonical themes to contemporary issues in political and commercial life. This ecumenical approach enables me to develop three interrelated metanarratives over the course of five substantive chapters and a brief conclusion, that contribute to our thinking about political morality and liberal modernity:

First, by comparing Montesquieu, Hume, and Smith's theoretical responses to John Law's Economic System in France, my book illuminates a shared sensitivity to France and Britain's delicate distinctions of rank. Montesquieu's penchant for the titled nobility suggests a continual need to preserve non-commercial sources of virtue in the modern world. Whereas, Hume and Smith held that a well-ordered commercial meritocracy sufficiently fosters social responsibility among Britain's elites. In pressing these two perspectives against one another, my book provokes readers to critically reflect upon the current-day features of capitalism which have crystalized over the past three centuries. On the one hand, Hume and Smith's optimism that commercial society *itself* could provide us with our moral bearings raises questions about how the accelerated growth of automation, shadow derivatives markets, cryptocurrencies, and big tech conglomerates, are shaping our commercial interactions. On the other hand, Montesquieu's persistent warnings that untethered commercial meritocracy fosters a toxic winner-take-all mentality constitute a compelling case for needing to counteract commercial ambition with non-commercial distinctions.

Second, my book compares Montesquieu and his Scottish counterparts' understandings of liberty to provide a more textured account of how their notions of honour cascade and integrate differently within their respective theories of politics. I explain that Montesquieu traces the origins of modern liberty in France to Saint Louis' judicial reforms. Whereas, Hume and Smith trace the origins of modern liberty in Britain to Henry VII's property reforms. In emphasizing their respective genealogies, I demonstrate how their preoccupation with economic, legal and cultural history suggests a sensitivity to the fragility of liberty and order in the modern world. Readers learn that liberty is a product of particular contextual factors, and that it is most *felt* when the laws reflect the culture of the population. My discussion points to a shared historically-grounded vision of politics that emphasizes the centrality of honour. I argue that Montesquieu and his Scottish counterparts shared the view that the means by which to balance the pursuit of wealth and the public good is a rare nexus between the desire for honour through wealth and public acclaim. Yet,



they reject the *agon* that characterized pre-modern honour-loving cultures. Rather, they each pacify honour by channeling it within a commercial world.

Third, *Montesquieu's Moderation* reconstructs a pluralistic theory of honour in the political thought of Montesquieu that *necessarily* includes quotidian and loftier forms. Here, I explain that Montesquieu's pluralism is grounded on the philosophical idea that political and institutional configurations need to reflect human beings' divided wills. That is, his understanding of human motivation suggests the possibility that honour-loving may be harnessed to enliven human beings' social affections. It is why Montesquieu and his contemporaries held that the liberal commercial world could not sustain itself if we remove honour from the public sphere. Honour itself is a natural assertion of our political freedom. Here, my book claims that even though Montesquieu accepts commerce as the organizing principle of the world, his nostalgia for the politics of Athens and Rome is constitutive of a multifaceted conception of liberty that contains ancient echoes. That is, free, moderate government relied on the existence of a dignified civic space that nourishes citizens' sense of interpersonal magnanimity, freeing them from their inward-looking passions.

Montesquieu's Moderation should appeal to four distinct groups of readers. It should draw considerable attention from historians of political thought, especially scholars of Enlightenment thought. In reinterpreting key figures of foundational liberal theory in the context of eighteenth-century high finance, my book opens new scholarly avenues for forging innovative insights concerning established themes of liberty and equality, which will serve our own political horizons. It is thus comparable to recent works in eighteenth-century political thought that consider the intersection of politics and economics (e.g. Mark Hulliung 2018; Emily Nacol 2016; Henry C. Clark 2014; Anoush Fraser Terjanian 2013; Thomas Pangle 2010; Michael Sonenscher 2007; Istvan Hont 2005; Catherine Larrère 2005;). It moreover adds a fresh perspective to contemporary theory that considers the morality of capitalism. (Arash Abizadeh 2020; Michael Sandel 2012; John Tomasi 2012; Richard Epstein 2011).

What is more, *Montesquieu's Moderation* makes an important contribution towards enucleating a "Lost Archipelago" (Craiutu 2012) in Modern political thought: the virtue of moderation. Recent scholars have offered important accounts that provoke readers to reflect on how foundational notions of natural law, (Paul Carrese 2016) honour (Duncan Kelly 2011, Céline Spector 2009, Sharon Krause 2002) religion (Joshua Bandoch 2017; Thomas Pangle 2010) and commerce (Dennis Rasmussen 2014; Donald Desserud 1999) dovetailed with Montesquieu's moderation. In emphasizing Montesquieu's commercial anxieties, I argue that an important feature of Montesquieu's moderation is that commerce itself needed to be moderated. Since my book explores how Montesquieu's moderation is baked into the political projects of Hume, Smith, and Ferguson, it will be a welcome addition to the burgeoning scholarship that investigates the cross-Channel intellectual affinities between key figures of the Scottish and French Enlightenments. (Mark Hulliung 2019; Urusula Gonthier Haskins 2016; Paul Cheney 2013; Alexander Broadie 2012; James Moore 2009)

Montesquieu's Moderation's core contribution is to political theory and the interdisciplinary scholarship on "honour". In finding new hinge-points that link Montesquieu with his Scottish counterparts on questions concerning the nature of honour and its function in commercial and political life, I provide new readings of canonical texts (Montesquieu, David



Hume, Adam Smith and Adam Ferguson), and argue that their works contained a robust normative claim about maintaining moderation in liberal modernity. Here my book makes two further contributions that will enrich current-day discussions about the civic challenges of liberal modernity. First, I exhort interpreters to modulate their attention towards the “sentimentalist” pillar in foundational liberal thought that *Montesquieu’s Moderation* details. Today, a cottage industry of liberal theory has its origins in Locke and Kant’s political thought, which is often insensitive to the emotional basis of human relationships. By contrast, Montesquieu, Hume, Smith, and Ferguson held the view that people are most functional in politics through empathy. Whereas, engaging with one another in a rational technocratic fashion would inevitably lead to despotism, as they warn readers in their critiques of eighteenth-century political economy. Their shared preoccupation with European “honour” is emblematic of a politics of fellow-feeling, which, for them formed the basis of a healthy liberal society.

Second, *Montesquieu’s Moderation* offers readers analytical resources for encouraging social responsibility in a world of intractable inequality. In writing during Europe’s transition from a feudal order towards a more liberal commercial world, Montesquieu was attuned to the new aristocracy, and sought ways to cultivate a sense of the public good in them. Considering the transition our current liberal order is undergoing, this important aspect of Montesquieu’s political thought offers a useful framework for engaging with our own emerging elites, whose innovative projects and visions risk carving out sources of despotism inconceivable prior to the twenty-first century.

Chapter Overview

Chapter One emphasizes the impact of the events surrounding John Law’s System on Montesquieu’s intellectual formation. It explains how France’s series of bankruptcies and experimental paper money schemes following the War of Spanish Succession permitted Law to introduce his innovative schemes to France. Historical and institutional considerations will provide the backdrop for understanding how questions concerning eighteenth-century political economy were at the forefront of Montesquieu’s mind as he developed his theory of free and moderate government. The chapter then examines competing accounts of “political moderation” in the works and notes of Jean-François Mélon and John Law himself, to distinguish Montesquieu’s own account, which emphasizes the importance of maintaining a civically-minded nobility to counteract centralized power. Finally, the chapter compares how Montesquieu, David Hume, and Adam Smith’s responses to the financial bubbles of 1720, integrate within their broader political arguments that aim to protect the gains of modern commerce.

Chapter Two considers Montesquieu’s response to James Harrington on questions concerning commerce and the role of religion in market society. It explains that Montesquieu sympathized with Harrington’s republican vision of moderate government. However, innovations in high finance forged new dysfunctional features into European economies that, for Montesquieu, rendered Harrington’s civic republican response to modern commerce obsolete. The chapter intimates that the emergence of paper money, public debt, and financial speculation demanded an alternative foundation for free and moderate government. It moreover explains how Law’s System symbolized the challenges of which Harrington did not have the wherewithal to consider prior to Europe’s financial revolutions. In sum, Harrington’s moderate vision of politics needed to be



adapted to the material circumstances associated with the financialization of eighteenth-century European governments.

Chapter Three differentiates Montesquieu and Hume's conceptions of liberty in order to gain a more complete understanding of how their respective notions of honour and politeness figure differently into their theories of free and moderate government. It elaborates Montesquieu and Hume's fears over how public credit and financial speculation would yield unpredictable wealth streams that would disrupt Britain and France's 'distinction of social ranks', the fulcrum of free and moderate government for both thinkers. The chapter moreover explains how Montesquieu and Hume based their respective theories on the premise that political ends needed to transcend economic ends, although their foundations differed. Whereas Hume held that honour, virtue and justice naturally emerge out of commercial society, Montesquieu evoked France's feudal heritage to draw attention to sources *outside* of commerce for establishing an ethos divorced from commercial self-interest.

Chapter Four associates Montesquieu's theory of free and moderate government with a pluralistic conception of honour that *necessarily* includes 'lower' and 'higher' forms of recognition. It explains that, for Montesquieu, the variegated sources of honour and virtue in a pluralistic society are indispensable for maintaining liberty, but may equally nudge societies towards despotism if left unchecked. On the one hand, virtue and enlightenment may become tyrannical, insofar as philosophical truth applied to politics is necessarily infused with an uncompromising sense of technical perfection that justifies tyranny. On the other hand, unchecked commerce feeds an alternative form of immoderation that ripens the conditions for despotism. The chapter then shows how Montesquieu's theory of honour responds to the civic challenges contained in a commercial ethos that crowds out citizens' other-regarding disposition and fosters a character of indolence among them in the face of injustice.

Chapter Five examines how Adam Smith and Adam Ferguson adapted Montesquieu's moderation to their respective theories of politics. It explains that Montesquieu and his Scottish counterparts accept the possibility of multiple intermediate positions between fully embracing a classical republican or a commercially grounded vision of politics. They show readers that one does not need to jump directly from Rome or Sparta to the Mandevillian beehive, but the means by which they approximate political virtue differ. Whereas Smith presupposes that modern commerce itself may produce the social and political virtues that satisfied the modern world's political exigencies, Montesquieu and Ferguson emphasized the need to harness pre-modern institutions and manners to counterbalance commercial mores.

Finally, *Montesquieu's Moderation* reveals a perspective in the commerce and virtue debates that may soberly inform current-day discussions about the place of commerce in the modern world. These themes will help illuminate post-Cold War attempts at dealing with the explosion of liberal capitalism as the de facto global standard. Francis Fukuyama, who famously proclaimed that there is no viable alternative to this dominant ideology, examined its deep roots to discover sources for taking advantage of it while counteracting its pathologies. The subsequent third-way politics of the 1990s and centrist attempts to counteract the recent wave of populism in the West each aim to protect the existing liberal economic order from more debased forms. Their attempts at moderating the excesses of liberal capitalism mirror the moderate compromises that



Montesquieu and his Scottish counterparts deemed necessary for guaranteeing a free and stable order under conditions of modern commerce. This book will carefully reconstruct their respective visions of free and moderate government so that the limits and potential of this analogy can be fully understood.