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Publication Date

2016

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UNIVERSITY OF CALIFORNIA

SANTA CRUZ

**MICHEL FOUCAULT'S POLITICAL ECONOMY IN *LES MOTS ET
LES CHOSES*: A CRITIQUE OF THE LINGUISTIC TURN IN THE
HISTORIOGRAPHY OF IDEAS**

A dissertation submitted in partial satisfaction
of the requirements for the degree of

DOCTOR OF PHILOSOPHY

in

HISTORY OF CONSCIOUSNESS

by

Christopher S. Barkan

June 2016

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Abstract

Michel Foucault's Political Economy in *Les mots et les choses*:
A Critique of the Linguistic Turn in the Historiography of Ideas

Christopher S. Barkan

A dearth of critical research on Michel Foucault's reconstruction in *Les mots et les choses* (1966) of the history of economic thought from the sixteenth through nineteenth centuries has overlooked his most sustained engagement with economics. This dissertation seeks to fill that gap. Also, Foucault and Karl Marx drew from the same archive of economics texts, thus their intellectual histories present a fertile and crucial test of their respective accounts—sometimes congruent, yet other times sharply different—of Europe's transition to Modernity.

The dissertation's methodology and organization turn on two axes: archival historical research and immanent critique.

Its historical method engages the same archive of major and minor economists that Foucault and Marx both read: early and late scholastic writers, Copernicus, Gresham, Bodin, Malestroit, Thomas Smith, Davanzati, mercantilist pamphleteers, Colbert, Petty, Cantillon, Boisguillebert, Hutcheson, Hume, Quesnay, Adam Smith, and Ricardo. Scholarly literature on the history of economic thought proved a useful aid, as well.

The dissertation is also conceived and executed as an immanent critique of *Les mots et les choses*. It adduces a rational reconstruction of Foucault's theoretical argument and historical narrative in order to identify its rational content, while also

demonstrating where and why its analysis is inadequate. To this end, Foucault's interest in linguistics is relevant insofar as his narrative attenuates the category of labor to that of language.

Overall, Foucault's archaeological method fails to comprehend the inter-related epistemic and socio-material nature of the category problem of political economy. Foucault's commitment to radical discontinuities actually eviscerates, rather than captures, historical and conceptual nuances of continuity and discontinuity that Marx's historiography makes possible. A question is raised whether Foucault and Marx perceived the extent to which economists made use of abstraction as an epistemic action to explain momentous changes in social relations and the mode of production as Europe evolved from commercial society to early manufacturing to capitalism.

The findings lay the groundwork for further research into Marx and Foucault's intellectual communication as well as Foucault's frequent recollection of his economic history from *Les mots et les choses* during his 1970s lectures at *Collège de France*.

In memoriam

Christopher Chitty (1983 - 2015)

My dissertation is in memory of my good friend Chris Chitty. He was a fellow doctoral student in History of Consciousness whose passion for Foucault was both inspiring and a healthy intellectual challenge for me. I miss his helpful ideas and honest criticism, uncompromising commitment to the truth, fun disposition, and most of all his friendship and boundless hope for the possibility of human emancipation.

Acknowledgements

My deepest gratitude goes to three very supportive and exceptional intellectual mentors who served on my dissertation committee: Gopal Balakrishnan, Barbara Epstein, and Chris Connery. I've loved the critical rigor they shared with me every step of the way. They challenged me to grow intellectually in ways that I could barely imagine possible. A special thank you to my friend Barbara who really went above and beyond the call of duty during my time of need.

History of Consciousness Department Manager Anne Spalliero did more than just provide crucial administrative support over the years—she always had my best interests at heart, for which I have been very grateful.

Knowing that I had the love and support of my entire family, especially my parents, has always been a huge boost to my morale.

My friends, housemates, and comrades—*Occupy California!*—in the doctoral program and throughout the Bay Area have given me intellectual and social support, encouragement, and friendship without which I do not think I would have finished my dissertation.

My close friends and soul mate from Detroit and Chicago who continue to open their homes and hearts to me have made me a better, stronger, and happier person. To the “Spain Travel Group” – I look forward to our next adventure!

You all have my love and gratitude!

INTRODUCTION

The Historiography of Political Economy in Michel Foucault's *Les mots et les choses*

Overview of *Les mots et les choses*

It was customary in the French Academy in the 1950s for candidates for *thèse* to present both a major as well as a complementary thesis. *Folie et déraison: Histoire de la folie à l'âge classique* (1961) was Michel Foucault's primary and very popular project. Submitted at the same time was a two-part *Thèse complémentaire de Doctorat*—a translation of Kant's *Anthropology from a Pragmatic Point of View* and an accompanying 128-page introductory essay by Foucault. Although the translation was published in 1964, his interpretive essay was not published until 2008. Henri Gouhier, a historian of philosophy who headed the jury at Foucault's defense in 1961 of both theses, wrote in his official report regarding the minor thesis that it was “inspired more by Nietzsche than by Kant” and that “he should separate the two pieces, giving the introduction its full scope as a book in its own right and publishing separately a truly critical edition of Kant's text.”¹

Foucault wasted no time re-engaging the themes of his secondary thesis. Just several years later in 1966—exactly 50 years ago from 2016—he published a highly novel and rigorous work of intellectual history that sought to address its shortcomings. His response to the defense committee's recommendation was a work so expansive in scope that a detailed engagement with it might require nearly as many

1. Didier Eribon, *Michel Foucault*, Transl. by Betsy Wing (Harvard University Press, 1991), 114.

pages as the text itself. *Les Mots et les choses: Une archéologie des sciences humaines*² (*The Order of Things*³; *OT* in the footnotes) gained Foucault near instant fame and notoriety. Its success set Foucault on the path towards election to the esteemed *Collège de France* in 1970.

Gouhier's insight that Foucault was more influenced by Nietzsche carried over into *The Order of Things*. After finally dismissing Marxist political economy as a thought-form comfortably at home—and imprisoned—in the nineteenth century, Foucault turns to Nietzsche as a palliative: "It was Nietzsche, in any case, who burned for us, even before we were born, the intermingled promises of the dialectic and anthropology."⁴ Nietzsche proved to be not only a philosopher whose ideas and influence became paramount: Foucault seemed prone, like so many others, to see something like a personal calling in the words of Nietzsche.⁵

In addition to Nietzsche, there was another, perhaps unlikely, source of influence on Foucault from the 1950s. He is said to have confided that the twelve-tone music of Boulez and Barraqué "“meant seeing the twentieth century from an unfamiliar angle: that of a long battle about form.”” This was, as his biographer David Macey put it, “a musical equivalent of the philosophy of the concept, to the current

2. Michel Foucault, *Les Mots et Les Choses: Une Archéologie Des Sciences Humaines*, (Bibliothèque Des Sciences Humaines. Paris: Gallimard), 1966. I consulted the French text for many though not all citations; at times I translated from the original into English for particularly important citations. Otherwise, citations are from the English text (see n. 3 below).

3. Michel Foucault, *The Order of Things: an Archaeology of the Human Sciences*, *Translation of Les Mots et Les Choses*, (New York: Vintage Books), 1994.

4. *Ibid.*, 263.

5. David Macey, *The Lives of Michel Foucault: A Biography*, First American edition. (New York: Pantheon Books, 1993), 55.

that goes from Russian formalism to structuralism, and taught him a lesson that warned him against ‘categories of the universal.’”⁶ While Macey suggests that Foucault probably misread the musical intentions or philosophy of his composer friends, it stands to reason that their output had the effect on Foucault that he attributes to them, which was to help him break out of the philosophical themes he was being asked to take so seriously, including subjective experience, the seriousness of meaning, and the thematics of humanism in general.

The Order of Things is a history of three particular domains of knowledge during three successive periods of Western history since 1500. He refers to these three domains of knowledge as the three empiricities. “There is a high degree of isomorphism” among all three areas of knowledge “*within each epistemic phase*.”⁷ This isomorphism is a function of Foucault’s essential argument, which is that during each historical period there is only one condition of possibility for all thought and knowledge. This is what he calls “episteme.” The organization of the text can be represented in the table below (see next page).

The middle third of ten chapters, comprising over forty percent of the entire text, are dedicated to the historical manifestation of these domains of knowledge during the seventeenth and eighteenth century; another full chapter is devoted to how these fields of thought underwent major transformations in the early nineteenth century as a result of the shift from the Classical to Modern episteme. Thus Foucault

6. Macey, *Lives*, 51.

7. José Guilherme Merquior, *Foucault*, (Berkeley: University of California Press, 1987), 36.

reserves over half the entire book to an explicit engagement with a limited number of intellectual histories as he escorts them towards his ultimate goal of describing how they comport with his conception of historical epistemes.

Schematic representation of historical periods, epistemes,
and the three empiricities in *The Order of Things*

Historical Period:	(Stoics through) Renaissance	Classical	Modern
Time period:	(Antiquity to) 16 th century	17 th – 18 th centuries	19 th century to present
Three Epistemes:	Resemblance (Similitude)	Representation	“Man”
First Empiricity:	(n/a) “Prose of the world”	General Grammar	Philology to Linguistics (Language)
Second Empiricity:	(n/a) “Prose of the world”	Analysis of Wealth	Political Economy (Labor)
Third Empiricity:	(n/a) “Prose of the world”	Natural history	Biology (Life)

Whereas *Folie et déraison* was a nearly 550-page history⁸ of a particular idea—madness—in Western civilization, the horizon of inquiry in *The Order of Things* was far broader in scope, namely, a history of the conditions of possibility of all knowledge in Europe from the sixteenth century to today. It comes in, however, at a much shorter 387 pages. It saves on space over *Folie et déraison* due to its superior and more efficient prose, perhaps a sign of Foucault’s maturation as a writer.

8. The English version, Michel Foucault, *History of Madness* (Routledge, 2006), not to be confused with an abridged and much more widely read English version, Michel Foucault, *Madness and Civilization; a History of Insanity in the Age of Reason*, (New York: Vintage Books, 1973).

Nevertheless, *The Order of Things* suffers from a degree of generality that is hard to avoid given the ambitious scope of the inquiry in the space allotted to it.

Its generality is not at the expense of logical rigor. Far from it. It is difficult to find easy mistakes at the level of its flow from one statement to the next; instead, its generality is at the level of its concept of history and intellectual history in particular. A few different but related things are meant by this: first, the archaeological method's skepticism towards one of its primary targets of critique, the discipline of history of ideas, is not satisfactorily developed; second, the principle by which it organizes its abstracting process to generalize about historical phenomena is weakened by its ultimate grounding in linguistics as an historiographical paradigm; third and most importantly, its conception of the "condition of possibility of knowledge," which is the very thing that an archaeology is supposed to make clear, is inadequate. Despite these problems, its degree of criticality, the ambition of its argument, the novelty of its method, not to mention the popularity in academic circles since the time of its publication of certain conclusions, justify the laborious task of an immanent critique.

When he assumed his position at the *Collège*, he chose as his chair title "History of Systems of Thought." In 1974 he said, "I would like my books to be a kind of tool-box which others can rummage through to find a tool which they can use however they wish in their own area."⁹ There is a wide gulf between how Foucault thought of his own work as a confrontation with intellectual histories versus his own

9. Michel Foucault (1994) [1974], "*Prisons et asiles dans le mecanisme du pouvoir*," in *Dits et Écrits*, vol. II, (Paris: Gallimard), 523-4. This passage transl. Clare O'Farrell, <http://Ibid.michel-foucault.com/quote/2004q.html>

recommendation to activists and scholars on how they should approach it.

Intellectually productive borrowings from Foucault at the level of his conception of history, philosophy, political theory, culture, sexuality, etc., have no doubt advanced critical thought on a variety of topics. At the same time, a widespread and oftentimes uncritical appropriation¹⁰ of Foucault's thought throughout the social sciences and humanities has followed his own pragmatic suggestion to use his ideas as "tools."

In this dissertation I approach *Les mots et les choses* from the vantage point of what it actually does, which is project a version of modern European *intellectual history*. I bracket the isomorphism across all three empiricities by setting biology to the side. I conduct a thorough and immanent critique of one particular area of focus in the text, which is Foucault's history of economic thought. I am also interested in how the history he writes is related to his conception of the epistemic condition of knowledge. Since the epistemic condition is based on the materiality of language, I consider throughout this dissertation Foucault's interest in the linguistic turn.

At each successive stage of my critique I point out how Foucault's fetishization of language as the sole ground of intellectual historiography in *The Order of Things* has several consequences for his project. One effect of his linguistic preoccupation is that continuity in the history of ideas is impossible because language has been used radically differently from one epoch to the next. This is why he does

10. Foucault was the most cited scholar in the humanities as of 2007, per Thomson Reuters' ISI Web of Science, 2007.

<http://Ibid.timeshighereducation.co.uk/story.asp?storyCode=405956>

not believe that a 'history of ideas' is possible to begin with,¹¹ and it explains why he demarcates his periods of history with strong breaks of radical discontinuity.¹² Also, he tends to mistake a particular form of reasoning during different periods—popular though they may have been—as the sole epistemic condition of thought. Resemblance during the sixteenth century, representation during the seventeenth and eighteenth centuries, and an initial dispersion of language in the nineteenth followed by its unification under the banner of scientific linguistics in the twentieth: these three linguistically-based epistemes mark Foucault's periodization of the history of Western knowledge since 1500.

Taking issue with the text's epistemology, Richard Rorty suggested it was primarily negative in its attempt to disturb conceptions of history.¹³ We can afford to be more generous. The upshot from reading *The Order of Things* is that the conditions of possibility of knowledge are, indeed, a historical phenomena; the entire text and all of its analyses revolve around this commitment.

However, the question inevitably must be faced: what in his analysis is driving historical change? It's true that he argues that the conditions of knowledge change over time, but by what force are the conditions themselves changing? Archaeology *describes* changes in the semiotic structure of language from one period to the next, but it avoids a serious consideration of the motor of historical change.

11. I address this more fully in the next section.

12. A comprehensive critique of his concept of discontinuity is in chapter three.

13. Richard Rorty, "Foucault and Epistemology," *Foucault: A Critical Reader*, ed. by David Couzens Hoy, (Blackwell Publishers Ltd., 1996), 41-50.

Foucault's episteme concept is parasitical to his history of ideas

Alternative economic histories can be juxtaposed to Foucault's. This requires some additional explanation. After all, his stated aim in *The Order of Things* is to give a history not of the content of ideas but of their condition of possibility. One might be led to accept that this is all he is doing if a reading of it coasts over the real substance of his historical exegesis and focuses only on the finish line of his argument. If all one had to do to comprehend the totality of his argument were to grasp the abstract shell of its most general claims, then juxtaposing his record with alternative economic histories would be like comparing apples to oranges.

In fact, we must dispense with any notion that Foucault was not reading his primary sources in order to adduce a history of economic thought. One cannot, as he does, claim that during the sixteenth century "the ability of money to measure commodities, as well as its exchangeability, rested upon its intrinsic value,"¹⁴ or "say that money is a pledge [and therefore] that it is no more than a token accepted by common consent—hence a pure fiction,"¹⁵ or conclude that "the 'quantitative law' was not invented by Locke"¹⁶ without having an explicit or *de facto* history of ideas.

This *magnus opus* of his archaeological period—it outshines in substance the excursus on method in *The Archaeology of Knowledge*—purports to sound the death knell not only of Man but also of 'history of ideas' as a discipline. I argue that it actually puts forth far more meekly one more approach among others to intellectual

14. Foucault, *OT*, 174.

15. *Ibid.*, 181.

16. *Ibid.*, 183.

history. His is a difference of degrees from other intellectual histories, not kind.

Hence recourse must be had to rival versions for the task of evaluating Foucault's contributions to the field.

The deep skepticism that Foucault has towards the history of ideas concerns the nature of the discipline itself. "An archaeology is not a history of ideas, a genre which Foucault now dismisses as teleological."¹⁷ He also thinks it is riddled with anachronisms. This means for Foucault that concepts that were developed at a later point in time cannot be used in an analysis of earlier times.

Branko Mitrović recently discussed certain aspects of the problem of concept attribution from one period into the past. Mitrović describes the "standard form" of the problem thus: "the attribution of specific beliefs to historical figures is contested by arguing that it is anachronistic to attribute to them some of the concepts that are necessary in order to formulate these beliefs."¹⁸

Although Mitrović explicitly mentions Foucault's book as an example of this kind of argument, this standard form of anachronism actually does not describe Foucault's position. In fact, it is almost the exact opposite. Foucault adopts nearly an extreme position in the face of the threat of anachronistic historiography. His concern is not whether a historian inappropriately attributes to historical figures a concept whose fullest instantiation is supposed to be the end result or effect at a later time of

17. Macey, *Lives*, 163-69. Accurate in that Macey grasps the outline of the argument, uncritical in that he claims it provides a "sumptuous display of erudition" without the help of research assistants.

18. Branko Mitrović, "Attribution of Concepts and Problems with Anachronism," *History and Theory* 50, no. 3 (October 1, 2011): 304.

what those figures contributed to that historical development; rather, Foucault simply states, “In fact, the concepts of money, price, value, circulation, and market were not regarded, in the seventeenth and eighteenth centuries, in terms of a shadowy future,”¹⁹ “we must therefore avoid a retrospective reading of these things that would merely endow the Classical analysis of wealth with the ulterior unity of a political economy in the tentative process of constituting itself.”²⁰ Furthermore, during the Classical period, “there is no political economy, because, in the order of knowledge, production does not exist”²¹ as a category of thought. This is an inflexible claim that draws a hard line in the sand when faced with the possibility of gradual conceptual developments over time. Foucault rules gradual developments out of the question.²² (In chapter three I give a thorough critique of Foucault’s concept of discontinuity.)

Having barred any possibility of ideational evolution from one historical period to the next, Foucault’s archaeological system is reduced to consider the semiotic structure of words and how this structure generates meaning. This defines the outer limit of his concept of episteme. When the structure of signs changes, inexplicably but without fail, there is an epistemological break in the order of knowledge, which resets completely the standard by which words take on a meaning.

19. Foucault, *OT*, 167-68.

20. *Ibid.*, 166.

21. *Ibid.*, 166.

22. Whereas Mitrović argues that an inflexible approach to the question of anachronism may reflect an error that essentializes concepts, Foucault does not fall into this trap because he would not recognize any “identifying description” of a concept that points Mitrović towards the notion of essence. Mitrović, “Attribution of Concepts,” 304.

To sum, there is no room in the archaeological method for any meaningful continuity or development of a concept about which a history can be written. In the absence of such a possibility, the historian must search for the semiotic structure of signs that provide the ground of any possible order of thought. When the semiotic basis of words changes, there is a deep rupture in the history of thought. History is a product of these ruptures in the epistemic conditions of knowledge.

Given this, it stands to reason that the method should be able to explain how it grants access to an interpretation of past ideas. But in fact the opposite is what happens. Foucault's order of analysis commences from his interpretation of the history of economic thought and only then proceeds to demonstrate how they are signs governed by a specific episteme. His theoretical assertion maintains that determinative primacy begins with the episteme, but in fact his mode of presentation makes clear that the order of determination flows in the opposite direction. He interprets ideas first in order to gain insight into the solitary epistemic condition that he hypothesizes makes those ideas possible in the first place. This should be understood as a contradiction of the highest order in this book. It means his episteme is parasitical to his intellectual history because it is impossible to demonstrate how words in the archive are an effect of the epistemic structure responsible for creating them without first interpreting the meaning of those very words.

Reading the same source archive is the best way to untangle this contradiction that is woven tightly around the entire edifice of the text, much like a vine that grows rootlets in every crevice of a high wall. Otherwise one can only guess whether he

connects the dots between historical texts and their epistemic conditions. For this reason, at times my analysis will have to follow him into this difficult terrain of the relation between his episteme and the content of thought.²³

An example of this is his argument that policy debates from mid-eighteenth century France between Physiocrats and those whom he calls “Anti-Physiocrats” reflect nothing more than two oppositional schools relying on essentially the same order of logic in their policy debates. The substantive, conceptual differences between them are not considered by Foucault as part of the epistemic conditions of their thought, whereas I would do so; rather, he analyzes the manner in which their respective lines of inquiry into state policy regarding grain imports were the logical and necessary outcome—and only this—of their unconscious loyalty to the episteme that governed their thought.

The most obvious problem with Foucault’s account—the one that his first critics noticed—was the lack of any explanation of how or why historical change happens. The fact of change, which Foucault interprets as a problem of discontinuity, is vaguely addressed. “Within the space of a few years a culture sometimes ceases to think as it had been thinking up till then and begins to think other things in a new

23. It’s reasonable to think that Foucault has adopted Freud’s analytic of the first topography of the psychic structure by way of analogy: the interpretation of the latent meaning of dreams is a function of analyzing the manifest content of the dreamwork. But this analogy does not hold up to scrutiny because the manifest content refers to the *same object* as the latent meaning, whereas in Foucault’s system, that which his manifest refers to an object that is distinct from that which is latent. See Sigmund Freud, *The Interpretation of Dreams*, Modern Library of the World’s Best Books 96 (New York: Modern Library, 1950). See also Foucault’s awkward reference to a “positive unconscious” in the foreword to the English edition of *OT*, xi.

way.”²⁴ Rather than follow Foucault’s lead by foregrounding a presumption of likelihood of radical discontinuity, I’ve decided it is more productive to try to understand whether a positive, gradual development at the level of concepts and categories of analysis might occur simultaneously with specific conceptual breaks and recessions. In other words discontinuity need not be the axis upon which a historiography turns. I address this in much more detail in chapter three.

Whereas the archaeological method overlooks conceptual nuances and developments, whether they be negative retreats or positive developments, historiographic attention to abstraction can shed light on such a movement, i.e., the nature of change, in intellectual history.

Eventually, Foucault backed down from his definition of the episteme as a singular condition based on semiotics. He conceded that there is more than one episteme. In the foreword to the English edition *The Order of Things*, which was published four years after the first French edition and after *The Archaeology of Knowledge*, Foucault recast the terms of this debate regarding the epistemic conditions of knowledge. Now, the obvious chronological problem of reading a “foreword” written several years after the text it introduces need not color a rigorous attempt to comprehend an argument as it actually stands. In this sense the foreword is best seen as reflecting Foucault’s thoughts about epistemology at the time that he wrote it—in 1970—and not necessarily what he was doing in *Les mots et les choses* in 1966.

24. Foucault, *OT*, 50.

In fact, what Foucault has to say in the foreword is fundamentally at odds with the work as a whole because he re-defines episteme totally differently from how it is defined in the text itself. The important thing to note, however, is that, although it cannot be accepted as an explanation of what he *wanted* to achieve, it is probably the best summary of what he actually *did* accomplish. The measurement of the book's real and lasting success comes in a belated reference to the importance of William Petty's notion of "political arithmetic":

What I saw was the appearance of figures peculiar to the Classical age: an 'analysis of wealth' that took little account of the assumptions of the 'political arithmetic' that was contemporary with it. [...] Epistemological figures, that is, that were not superimposed on the sciences as they were individualized and named in the nineteenth century.²⁵

First, it is incomprehensible to say that Petty's very interesting argument on behalf of political arithmetic, which was his call for empirical data that could form the basis of Baconian induction, does not reflect his epistemic conditions of social thought; this, however, is another matter. The point of information that merits attention is Foucault's concession that his concept of episteme amounts only to multiple "figures" of history. I do not think we need to search for a rigorous definition of the term figures here. The key thing is that Foucault has accepted that the epistemic conditions of thought are plural, not singular. The new, plural position does not comport with the universal applicability that the episteme held as a condition of all thought and knowledge in the book itself. It is a major concession, but I would say one that brings

25. Foucault, *OT*, x-xi.

Foucault's own historical consciousness into a more balanced, commonsensical, and rational frame.

The special status of history of economics vis-à-vis biology and language

One of the reasons to focus specifically on the history of economic thought in *The Order of Things* is the special status he attributes to it relative to other systems of thought, especially biology and at certain points even linguistics. This has been overlooked in the literature. Brazilian scholar Iara Vigo de Lima's *Foucault's Archaeology of Political Economy* (2010) is the one book on Foucault's economic work in the 1960s.²⁶ I agree with its observation and surprise that both economists and historians have neglected Foucault's economics. Vigo de Lima provides many reliable close readings of *The Order of Things* and is a very good guidebook to the schematic presentation of its referent. Overall it is very friendly towards Foucault's project, with three stated primary objectives to "pursue a detailed reading" of Foucault's archaeology of political economy; "to examine some of Foucault's contributions" with a special focus on Adam Smith and more generally the methodology of economics and the historiography of economic thought; and "to argue that Foucault's archaeology of political economy provides possibilities for a reassessment" of these fields.²⁷

26. Iara Vigo De Lima, *Foucault's Archaeology of Political Economy*, (Houndsmill, Basingstoke, Hampshire ; New York: Palgrave Macmillan, 2010).

27. Vigo De Lima, *Foucault's Archaeology*, 1.

The book's overall tone is actually adulatory: "Foucault went beyond offering a reinterpretation of the history of political economy. [Archaeology] provided a novel method, a range of inspiring notions and concepts."²⁸ It "analyzes" the various historical stages given by Foucault, but in many respects its analysis is better understood as reliable summary. Its persuasive objective is to draw "particular attention to the great potential"²⁹ that archaeology makes possible to rethink economic history.

Vigo de Lima draws attention to a major gap in the literature on Foucault, but there are shortcomings that objectively hinder the book's ability in 2010 to move our understanding of Foucault beyond what we already know, save for a complementary patina of his economic reasoning on top of his epistemology. It does not consult the archive that Foucault did (or not significantly: none of Foucault's archival texts are listed in the bibliography except for Adam Smith), thus it is difficult to know whether his concept of episteme was a genuine accomplishment except by comparing Foucault to other twentieth century luminaries. This Vigo de Lima does with Kuhn, thus reinforcing a common interpretive approach to Foucault in terms of epistemology. It partly makes up for this by consulting other histories of economic ideas, but its critical relationship with those texts is ambiguous: are they warehouses of information to be appropriated even though these economic historians would not see eye-to-eye with Foucault? Vigo de Lima's book should not be overlooked if one

28. Vigo De Lima, *Foucault's Archaeology*, 1.

29. Ibid., 173.

seeks a loyal and at times more readable version of the original argument, but in general it avoids posing difficult questions to Foucault's project.

At the beginning of his chapter on "Exchanging" in *The Order of Things*, Foucault ponders a dimension to economic ideas that natural history and grammar do not have to contend with. This is the field of practices, institutions, and policy.

It is true that the analysis of wealth is not constituted according to the same curves or in obedience to the same rhythm as general grammar or natural history. This is because reflection upon money, trade, and exchange is linked to a practice and to institutions. And though practice and pure speculation may be placed in opposition to one another, they nevertheless rest upon one and the same fundamental ground of knowledge.³⁰

Foucault himself sets economics apart, ever so slightly, from natural history and general grammar. The unique degree to which economic ideas must be studied in their concrete social context sets them apart from other fields. Unlike biology and the study of language, economics includes by definition a set of practices that requires many decades to evaluate. Economic practices are embedded within institutions that have a history all their own beyond the precarious nature of thoughts. This suggests structural difference from scientific discoveries regarding the anatomical structure of the body. Unlike other empirical forms of knowledge, economics is tied to a *praxis*.³¹ In the end, though, Foucault does not exploit this difference—despite his mantra of making differences appear in the historical record—because it would interfere with and contradict his very broad definition of episteme: "In any given culture and at any

30. Foucault, *OT*, 168.

31. It seems to me that this is where one should look in order to locate the inception of Foucault's eventual turn in the 1970s to studying discourse alongside practices.

given moment, there is always only one episteme that defines the conditions of all knowledge, whether expressed in a theory or silently invested in a practice.”³² This is a missed opportunity, and one that does not escape Marx’s own comprehension of economics. In chapter four I detail Marx’s conception of *praxis* as a category of material history.

Although Foucault was willing to acknowledge the essential difference that practices and institutions pose to an intellectual history of economics, it would not be enough in *The Order of Things* to warrant more than an acknowledgment. He forces the real world of politics, practices, and policy into a circumspect parallel with the “abstract theories and speculations [of grammar and natural history which are] without apparent relation to reality.”³³

Political economy compels Foucault to over-generalize his concept of episteme

With this we have come to a defining moment in the structure of the argument of the entire book: Foucault silences the differences between what constitutes economics from other disciplines by expanding to the most general degree possible the explanatory power of his episteme. It would not be an over-reach to conclude that the special status of economics compels Foucault to define his episteme in the way he does. This generalization sets in motion a form of historical analysis that sidelines the historical particularity of differences among various political interests, the policies

32. Foucault, *OT*, 168.

33. Ibid.

generated by political organizing and actions, as well as the manner in which political strategies unfold in reaction to adversarial strategies.

There is a final logical implication of his system-wide episteme that redounds back upon his entire study within each period. It should come as no surprise. Because a single episteme accounts for all economic policies regardless of the politics they reflect, it follows that the analysis can (and must) demonstrate without exception the neutralization of ideological and class antagonisms. Class struggle was not on the menu in *Les mots et les choses*. Foucault carries this out with fervor in a series of analyses each of which elucidates the apparent differences between opposing schools of thought only to confute those differences by showing the common epistemic core generating both. Far from a happenstance feature of *The Order of Things*, this is the controlling principle in the presentation of the argument on economics.

On this basis, for example, the bullionists and anti-bullionists of the sixteenth and seventeenth centuries both thought in terms of the intrinsic character of money;³⁴ representation of exchange during the eighteenth century was “the configuration that made Quesnay and Condillac simultaneously possible”³⁵; and, finally, nineteenth century “alternatives offered by Ricardo’s ‘pessimism’ and Marx’s revolutionary promise are probably of little importance.”³⁶

34. Foucault, *OT*, 167.

35. Two opposing representatives of the Physiocrats and “Anti-Physiocrats.” Ibid., 257.

36. Ibid., 261. See chapter four below on the Ricardo-Marx relation in *The Order of Things*, and the requisite correction.

This somewhat hidden polemic—couched in terms of the episteme’s capacity to govern all thought—should not be confused with the explicit categories that Foucault uses to provide section breaks and subject headings. Obviously the neutralization of class and ideological conflict could not proffer itself as the category at stake in the text because that would have accorded it a place it did not merit per the terms of the analysis. Without it, though, the perceived upshot of claiming to have discovered the sole condition for all thought is rendered null and void. Thus it’s relatively easy to overlook this dimension of the argument, even though it runs deep throughout.

While this analytic opened one door to a novel point of view that eluded the straightjacketing of a facile class analysis, it slammed shut another door on what another economic historian points out. Biddle warns that pre-Adamite economists in particular wrote not for other economists, which might be our bias since the advent of a professional academic discipline in the late-nineteenth century; rather, their audience was

those who make economic policy. In light of that, it seems obvious that the study of the history of economic thought should include attention to the ideas of all those who, directly or indirectly, play a role in making economic policy, and research on the processes through which their actions and decisions have been influenced by, and perhaps have influenced, economists.³⁷

37. Jeff E Biddle, “Research Styles in the History of Economic Thought,” in Samuels, Warren J., et al., *A Companion to the History of Economic Thought*, Blackwell Companions to Contemporary Economics, (Malden, MA: Blackwell, 2003), 7.

Such an approach, Biddle suggests, would examine the role of government agents, advisors, pamphleteers, literary figures, and others, all of whom are “participating with more or less effectiveness in an environment governed by very different rules”³⁸ than those of professional academics. Biddle does not go so far as to identify this with a Skinnerian approach to intellectual history,³⁹ but it has this affinity to the extent that trend-setting ideas of major intellectuals must be seen in light of the participation and contributions of “minor” figures as well.

Without this nuanced, immanent critique of the special status of economics vis-à-vis other domains of knowledge and the organizing principle of Foucault’s presentation of the argument, it is all too easy to dismiss *The Order of Things* out of a dogmatic or perhaps ideological commitment to the category of class.

Foucault *contra* Marx; or, imprisoning the category Labor in the nineteenth century

By the time he started to focus on *Les mots et les choses* in the early 1960s, the threat of proletarian revolution in the West seems to have passed. France was entering the second half of *les trente glorieuses*. The *Parti communiste français* was weakened by De Gaulle’s constitutional reforms in 1958 and since Khrushchev’s

38. Biddle, “Research Styles,” 7.

39. Quentin Skinner, “Meaning and Understanding in the History of Ideas,” *History and Theory* 8, no. 1 (1969): 3–53. doi:10.2307/2504188.

See also Erik Asard, “Quentin Skinner and His Critics: Some Notes on a Methodological Debate.”

<http://journals.lub.lu.se/index.php/st/article/viewFile/3404/2975>.

secret speech denouncing Stalin in 1956. The PCF's National Assembly representation nosedived from a high of 25% in 1956 to 1.8% in 1958 and 8.8% in 1962 (though its share of first round votes for the Assembly did not begin to suffer irrecoverable decline until the 1980s).⁴⁰ It would still be a few years before the discontents of May 68 would disrupt De Gaulle's Fifth Republic.

Foucault's underlying strategy is to contextualize Marxist political economy by historicizing Marx. He wants to elucidate what he takes to be the epistemic condition of possibility of Marx's economic science, which he hypothesizes is the Modern period's episteme of "Man." He does so in order to evacuate Marx's political economy of liberatory potential. So long as Marxists failed to give an account of the anthropological episteme that Foucault believed powered Marx's political economy, it would be a fool's errand to place an iota of hope in any emancipation made possible or "predicted by" political economy. Since the episteme of Man governs all thought during the Modern period, the only way out of this dilemma would be a new episteme. To this end Foucault issues his famous obituary of the death of man.

The anti-humanist approach was begun by Althusser in *Marxism and Humanism* (1964).⁴¹ There, Althusser posits a break within Marx's *oeuvre* that rejects a universalizing human essence. Foucault, however, does not agree with Althusser; he sees a need to go further. He offers a more radical antihumanist critique on the

40. "Johnson, R. W., *The Long March of the French Left*, (London: Macmillan, 1981), all of chapter 8 but esp. 141-2.

41. Louis Althusser, *Marxism and Humanism*, 1964.
<https://Ibid.marxists.org/reference/archive/althusser/1964/marxism-humanism.htm>.
'Marxism and Humanism' first appeared in the *Cahiers de l'I.S.E.A.*, June 1964.

grounds that a particular concept of man was the condition of possibility of Marx's early *and* late works. Against Althusser who located an epistemological rupture *within* Marx's oeuvre, thus cutting off one arm in order to save the other, Foucault suggests the necessary break had yet to be unearthed. It was the task of *Les mots et les choses* to conduct an archaeology of the conditions of knowledge in order to dig up and thereby name the specific discontinuity that would be needed (in the future) to move society to some other place.

At this point the argument becomes rather opaque or even mystified, but it turns on the potential of Linguistics to offer a criterion of judgment of Man, whose fate is otherwise condemned to pass by the Scylla and Charybdis of being both the subject and object of knowledge. On the chance that Linguistics fails to save us from ourselves, Foucault takes out an insurance policy by declaring this particular historical manifestation of Man dead.⁴²

This conceptual architecture allows him to argue that Ricardo and Marx are representatives of two opposite poles on the same labor-production continuum. Political economy (and biology, which discovers "Life" for the first time) generates the concept of "Man" as the ground of all knowledge. More specifically, Foucault wants to demonstrate a transitory and ultimately self-defeating limitation in the category of labor as the ground of economic science. He links it to the category production as the central tenet of nineteenth century labor theories of value, especially David Ricardo's system. From this Foucault draws out the fundamental

42. It's more accurate to say that Foucault thinks of the scientific dimension of linguistics as that which effects the death of Man.

story of the Modern period: three categories, “Labour, Life, Language”⁴³ did not exist before the nineteenth century. Labor does not exist in the order of thought, he says, until a nineteenth century science of political economy brings it into being.

Man is the Modern episteme, meaning this particular conception of Man governs the production of all knowledge during the Modern period. Since Foucault declares the death of Man at the twilight of the Modern episteme, so too must disappear all those forms of knowledge that were a product of the archaeological necessity of Man. Whither Man, so too his labor; whither labor, so too the form of knowledge whose purpose it is to clarify Man and the conditions of his labor, namely, political economy.

In chapters two, three, and four I piece together a counter-narrative on the basis of my own reading of historical texts. Namely, there were important conceptual developments in the category of labor as potential ground of value production before Adam Smith and David Ricardo. Also, the ‘science of man’ discourse during the eighteenth century Scottish Enlightenment had already instantiated within thought the concept of “Man” that Foucault attributes to Ricardo. Finally, in chapter four I argue that Foucault is using political economy as conceptual grist for the linguistic mill of his archaeology. By this I mean his form of thought unfairly reads a philosophical concern into the history of political economy in order to resolve an epistemological dilemma of his own creation.

43. The title of chapter 8, Foucault, *OT*.

Marx *contra* Foucault; or, simultaneous continuity and discontinuity in the history of political economy

Although the relationship between Foucault and Marx can be approached in more than one way, it cannot be arbitrary. Thankfully there is an organic relationship that links an immanent critique of Foucault's *The Order of Things* to Marx's approach to the history of economic thought. The stories they give are very different; furthermore, the critical method and form of historiography they brought to bear upon history are at times irreconcilable. Upon closer examination some relatively clear fault lines and points of sharp disagreement between the two become apparent. As I see them, they concern: (1) their conception of the historical as it manifests itself in their respective approaches to the history of thought; (2) the specific category problems involved in their intellectual histories of political economy; (3) how these categories of analysis determine the form and adequacy of their critique of "bourgeois" economics and social life.

Two substantive issues are worth highlighting here. The first concerns the nature of continuity and the reality of discontinuities—this speaks to differences in their concepts of history; the second speaks more generally to their respective understanding of the role of language in the historiography of ideas—this addresses in part their respective approaches to the category problem of political economy. The third difference mentioned above occurs at a higher level of abstraction; it can only be addressed after a more thorough analysis and presentation of the evidence that each mobilizes for the purpose of critique of "bourgeois" social life.

Since Foucault thinks changes in the epistemic conditions of thought are riven by deep discontinuities, it follows that early economic thought cannot be linked in any meaningful way to later developments, including the labor theory of value. Marx agrees with Foucault that a scientific mode of economic thought arose around the end of the eighteenth century, but for him this science of political economy is a direct result of *continuous developments* begun much earlier with economists from the seventeenth century. The introduction of the *Grundrisse* argues

economists of the seventeenth century, e.g., always begin with the living whole, with population, nation, state, several states, etc.; but they always conclude by discovering through analysis a small number of determinant, abstract, general relations such as division of labour, money, value, etc. As soon as these individual moments had been more or less firmly established and abstracted, there began the economic systems, which ascended from the simple relations, such as labour, division of labour, need, exchange value, to the level of the state, exchange between nations and the world market. The latter is obviously the scientifically correct method...Along the first path the full conception was evaporated to yield an abstract determination; along the second, the abstract determinations lead towards a reproduction of the concrete by way of thought.⁴⁴

For Marx, the history of economic thought can be said to have had at least two phases, but they cannot be separated, since the second, more scientific phase is a direct development out of the first. During the first phase, economists commenced their thought with categories like population that appeared to be real because they provide a “foundation for the entire social act of production.”⁴⁵ However, these were unscientific, “chaotic conceptions of the whole” because they failed to comprehend

44. Karl Marx, *Grundrisse: Foundations of the Critique of Political Economy (Rough Draft)*, Transl. Martin Nicolaus, (London: Penguin Books, 1973), 100-101.

45. Ibid., 100.

the whole in terms of its constituent parts. It was necessary, therefore, for early economists to work by way of analysis from chaotic conceptions towards the simplest determinations and relations, such as money, value, etc. Once the history of economic thought accomplished this process of working from chaotic concepts to the simple but determinant ones, “there began the economic systems” characterized by a form of thought that ascended back up towards the state and world market, but this time the concrete concepts were no longer chaotic but a “unity of the diverse.”⁴⁶

Marx provides a schematic summary of intellectual history, not a finely tuned theoretical framework or precise thesis. A concrete examples will elucidate his perspective. Take, for instance, the seventeenth century mercantilist notion of balance of trade. It meets Marx’s characterization of a “chaotic conception of the whole,” not a more advanced “simple determination” that reflected a later stage of abstraction. “Balance of trade” was abstract but too general to provide a foundation for further scientific analysis.

Continuity in economic thought for Marx should not be mistaken for teleological progress, even if the concept of continuity can mislead one into presuming a *telos* governs the thought-form. Throughout *Theories of Surplus Value* Marx demonstrates that major advances are oftentimes followed by periods of “vulgarization,” This was the fate of Ricardo’s system. Chapter three reviews the categories of continuity, discontinuity, and *telos* more thoroughly.

Second, whereas Foucault solves his epistemological dilemma by studying the

46. Marx, *Grundrisse*, 101.

formal structure of language that he says makes knowledge possible in the first place, Marx relies, in *Theories of Surplus Value* for instance, on a more complex notion of the conditions of possibility of intellectual history that cannot be limited or reduced to that which the material trace of language from one historical epoch to the next makes possible.

A formal critique of the linguistic turn in late-twentieth century historical studies

The 1980s seems to have been a watershed moment for intellectual history and its methodology. It was not the genesis of a methodological sea change in historical studies—for that one would have to go back to the mid-1960s, including Foucault's *Les mots et les choses*—rather it was the point at which major changes already underfoot since the 1960s seemed to pass into disciplinary respectability. A prognostication of this transition was offered, perhaps for the first time, by William J. Bouwsma's contribution to a special themed issue in 1981 of the *Journal of Interdisciplinary Studies* titled *The New History: The 1980s and Beyond*.⁴⁷ In his article "From History of Ideas to History of Meaning,"⁴⁸ Bouwsma claims, "We no longer need intellectual history because we have all become intellectual historians."⁴⁹

47. R.I.R. and T.K.R., "The New History: The 1980s and Beyond," *The Journal of Interdisciplinary History* 12, no. 1 (July 1, 1981): 1–2.

48. William J. Bouwsma, "From History of Ideas to History of Meaning," *The Journal of Interdisciplinary History* 12, no. 2 (October 1, 1981): 279–91. doi:10.2307/203030.

49. *Ibid.*, 280.

This did not happen automatically and not without a trial by fire. Bouwsma clarifies that if intellectual history in the long past of the Western tradition had always been associated with the history of great thinkers, their great ideas, the canon of great books they wrote, as well as the philosophical idealism they espoused, the model of honorable Man on which these things were predicated was destroyed through the interventions of Darwin, Marx, and especially Freud. Following their one-two-three assault, one could only hope to ascend back up to discover a “remnant chiefly worth saving”⁵⁰ from this broke down model of Man and the historiography subsumed within it. To this end Bouwsma argues that the history of thought should be seen not as a rarefied activity of the divine elements of Man, but instead as one way in which the “human organism” pursues “an expressive or adaptive behavior [...] to discover or to impose meaning on our experience.”⁵¹ Thus historical studies should be understood under the general category of Meaning, where the task of the historian is to discern “the location, the description, and perhaps the explanation of what passes for meaning in a variety of historical situations.”⁵²

The reorganization of intellectual history from the history of Ideas to the history of Meaning⁵³ had a major consequence that soon came to the attention of other historians. As John Toews summarized in his wide-ranging 1987 article “Intellectual History after the Linguistic Turn,” “since the primary medium of

50. Bouwsma, “From History of Ideas,” 283.

51. Ibid.

52. Ibid., 284.

53. This critique of ‘history of ideas’ is one reason why scholars prefer to use the term ‘intellectual history’. I agree with the distinction, but I use the two terms more or less interchangeably.

meaning was obviously language, [...] entering into the mainstream of the history of meaning would involve the intellectual historian in a linguistic turn.”⁵⁴ But whereas Toews begins his assessment of the linguistic turn in historical studies via Bouwsma’s article from 1981, it’s not clear Bouwsma would recognize and agree with the trajectory that the linguistic turn seemed to take.

Toews places linguistics front and center of 1980s historiography, but in fact Bouwsma listed linguistics as a field of interest for historians only after exploring the field’s new affinity to both high and popular art (because art is a privileged medium of constructing new meanings) as well as cultural anthropology’s model of the human as an integrated subject who struggles to create meanings through cultural productions. There’s room, in other words, for a study of the history of meaning that is not reducible to language but investigates artistic production and cultural practices alongside language use.

Toews makes a relatively anodyne observation that “language can no longer be construed as simply a medium [...] for the representation or expression of a reality outside of itself.” This is to say he agrees with Richard Rorty’s argument that there is no philosophical justification for a correspondence theory of meaning.⁵⁵ However, it is a considerable leap to say that this logically implies a linguistic turn delimited to

some form of semiological theory in which language is conceived of as a self-contained system of ‘signs’ whose meanings are determined

54. John E. Toews, “Intellectual History after the Linguistic Turn: The Autonomy of Meaning and the Irreducibility of Experience,” *The American Historical Review* 92, no. 4 (October 1, 1987): 881. doi:10.2307/1863950.

55. See Richard Rorty, *Philosophy and the Mirror of Nature*, (Princeton: Princeton University Press, 1979).

by their relations to each other, rather than by their relation to some ‘transcendental’ or extralinguistic object or subject.⁵⁶

It is true that Bouwsma refers to the human and social world that historians investigate as “a vast rhetorical production”⁵⁷—a line that Toews is sure to cite⁵⁸—but Bouwsma was not necessarily proposing a turn to semiotics. This is just one line of development that the linguistic turn could have taken. Regardless, after acknowledging Bouwsma’s early contribution to the theory of History for the 1980s, Toews chooses or feels compelled to read the linguistic turn through a semiological lens, whereas Bouwsma did not. This may be problematic if semiotics does not allow us “to negotiate the myriad levels of abstraction [of] contemporary life [and] we must begin to rethink our longstanding equation of meaning with the logic and syntactical structures of language and reevaluate our other ways of knowing the world.”⁵⁹

There were alternatives to semiotics that received less attention. A closer look at what Bouwsma said in 1981 actually hints at this. First, since linguistic usage over time may provide us with clues to changes in what people thought, there may be an opening for the application of quantitative methods and analysis in historiography. He does not clarify what this might look like, but presumably it would entail tracking the usage and prevalence of words over a long period of time, something not easily amenable to semiological readings of a limited number of texts. I take Koselleck and

56. Toews, “Intellectual History,” 881-82.

57. Bouwsma, “From History of Ideas,” 290.

58. Toews, “Intellectual History,” 881.

59. Ando Arike, “The ‘Two Cultures’ Revisited,” *Leonardo* 29, no. 5 (January 1, 1996): 385. doi:10.2307/1576404.

Richter's conceptual history of crisis⁶⁰ as an example of this; it is less semiologically than philologically organized. Second, and much more interesting to me,

through language man orders the chaos of data that impinges on his sensorium [...] organizing them into categories and so making them intelligible for himself, manageable, communicable, and therefore socially useful as well as essential for his private adaption to the world.⁶¹

This is in so many words a definition of abstraction, and Bouwsma offered it as one trajectory that a linguistic turn in the historiography of ideas could take.

Koselleck took stock of the situation in "Linguistic Change and the History of Events" and simplified matters considerably: "all language is historically conditioned, and all history is linguistically conditioned."⁶² This mutually determining relation does not mitigate the analytical difference between history and language. Three things require explication, says Koselleck. First, the "pre- and extra-linguistic conditions of human history"—conditions that we more or less share with other species, all of which have to do with social processes of differentiation; second, the specific relationship between language and history-as-it-happens; third, how language is brought to bear upon history after the fact.⁶³

One important pre- or extra-linguistic mode of social differentiation that is inherently capable of altering history is the biological life-cycle and all that is immediately related to it, such as the power of reproduction, generational differences,

60. Reinhart Koselleck and Michaela Richter, "Crisis," *Journal of the History of Ideas* 67, no. 2 (2006): 357–400.

61. Bouwsma, "From History of Ideas," 289–90.

62. Reinhart Koselleck, "Linguistic Change and the History of Events," *The Journal of Modern History* 61, no. 4 (1989): 649.

63. *Ibid.*, 650.

and “not just the necessity of death, which with proper care can be delayed, but also the ability to kill, by which we shorten another’s life span.”⁶⁴ Related to this, humans, like animals, always form groups; these can be mundane like secret societies and education admissions to ultra-important like the drawing of territorial borders.⁶⁵ We might say the logic of inner vs. outer finds its sharpest expression in a Schmittian friend - enemy distinction.⁶⁶ A third mechanism of social differentiation would be a hierarchy of authority, regardless of whether they are subjected to a wider consensus (i.e., elections) or diffused through bureaucracy. “To sum up: ‘earlier/later,’ ‘inner/outer,’ and ‘above/below’ are three sets of contraries without which no history can come to be.”⁶⁷ Even though each of these types of distinctions can be expressed and influenced greatly by language, they cannot be mastered linguistically; each of them and together can set off chains of historical events “beyond the pale of language.”⁶⁸

Coming at it from the other angle, from the vantage point of linguistic activity, “spoken discourse is always both more and less than is carried out in the actual course of history.”⁶⁹ The temporal dimension of language is polyvalent with respect to actual events, insofar as linguistic acts can offer alternative courses of action, justifications and refutations of what happens, different long-term visions of society, and so forth.

64. Koselleck, “Linguistic Change,” 650.

65. Ibid.

66. See Carl Schmitt, *The Concept of the Political*, Expanded edition. (Chicago: University of Chicago Press, 2007).

67. Koselleck, “Linguistic Change,” 651.

68. Ibid., 652.

69. Ibid., 653.

In other words—and this is crucial—language use “contains a prognostic potential that is applicable beyond the particular situation that gave rise to”⁷⁰ that particular use of language. Koselleck cites Herodotus’s debates in *History* over the advantages and disadvantages of monarchy, aristocracy, and democracy at the time of succession of Darius in Persia as an example. Political arguments reach toward a universality that the narrow exigencies of history *in actu* cannot contain. As such, “they can be transferred and repeated.”⁷¹

Another perspective speaks directly to the relation between abstraction and language. “Every language is an enormous achievement of abstraction.”⁷² Koselleck contends that

language does not simply store experiences that outlast the specific situation: we realize that particular languages delimit these very experiences. As a consequence of their own concreteness, these languages allow experiences to be formulated only in certain way and not otherwise.⁷³

It can also be said that this concreteness of language delimits any future—that is to say historical—comprehension of past experiences. But what determines this concreteness? Koselleck does not explain further. It cannot be the materiality of language itself because this materiality has nothing to say at the time of its iteration about future reflections on its meaning. It seems to me that this delimitation must be a function of several factors. Not only the semantic richness of an iteration up to the point at which it was uttered, but also the social events and all other language use that

70. Koselleck, “Linguistic Change,” 653.

71. *Ibid.*, 654.

72. *Ibid.*, 657.

73. *Ibid.*, 657.

follows *subsequent to* the concrete iteration whose delimited sphere of potential meaning is being probed. In other words the rate and space of semantic change is not predetermined by an iteration's own concreteness, which is what Koselleck suggests, but by its relation to a set of social and linguistic conditions that follow it in the future. This theoretical model can be unified under a category that I call abstraction as epistemic action.⁷⁴ The source material of abstractive processes that seek to resignify a prior iteration includes: (1) the concrete iteration in time period A; (2) social events subsequent to time period A; (3) language use subsequent to time period A.

Abstracting labor that brings the past concreteness of a prior linguistic formulation into question is the principle by which experiences can be formulated differently. The effort to recover during a subsequent period the semantic meaning of a prior iteration is the catalyst for categorical development. For this reason the category problem of social thought can be thought of in terms of a theory of abstraction. "Abstraction is a consolidated construction that can be used to create new constructions. Newly formed constructions are fragile entities."⁷⁵

Koselleck's maxim that all language is an achievement of abstraction is important for my critique of the linguistic turn in the historiography of ideas. The effort to recover the semantic meaning of past linguistic formulations presupposes

74. I borrow this term from a journal article on the pedagogy of mathematics: Rina Hershkowitz et al., "Abstraction in Context: Epistemic Actions," *Journal for Research in Mathematics Education* 32, no. 2 (March 1, 2001): 195–222. doi:10.2307/749673.

75. John Monaghan and Mehmet Fatih Ozmantar, "Abstraction and Consolidation," *Educational Studies in Mathematics* 62, no. 3 (July 1, 2006): 233.

that the material trace that language leaves behind reflects to some degree the past labor of abstractive activity. “Embodied abstractions,” to use a play on Marx’s conception of capital stock as embodied or “dead” labor. From this it follows that one of the epistemic conditions of knowledge is the activity of abstraction of any language-user.

By expanding the concept of episteme to include abstraction as a productive epistemic activity, it becomes possible to study intellectual history in a manner that is both text-based but also sensitive to the forms of thought “behind” the language itself in a way that semiotics does not capture. It is impossible to understand the conditions of possibility of past knowledge (and by extension past knowledge itself) without considering the productivity of abstraction as it was exercised in the past. It is insufficient to conceptualize the materiality of language in the archive as merely a positive trace of some by-gone episteme that is now lost to us.

To be sure the materiality of language in the archive is a trace and is *one* epistemic condition in an historiographical sense. As Koselleck reminds us, “the reality of past histories is present only in their linguistic shapes.”⁷⁶ But because all languages are an achievement of abstraction, we can argue that language in the archive is also a “sign,” so to speak, that abstracting activity has occurred. Perhaps it would be more accurate to say that *some* language in the archive is evidence to this effect. Even so, any historiography that seeks to interpret historical documents must be able to take this into account.

76. Koselleck, “Linguistic Change,” 666.

To sum, there are two justifications for the claim that the archive is evidence that abstracting activity has occurred in the past, thus justifying an historiographical method that presumes as much. The first is a philosophical rationale and the second is a practico- methodological rationale. First, abstraction as an epistemic activity is one of the conditions by and under which a subject enters into language and becomes a language user. For if it is true that language is an achievement of abstraction, then it must follow that nearly every time we use language we are benefitting from the embodied abstractions in our speech acts. The history of political economy bears ample evidence of writers assimilating the language of their predecessors into their own account of the economic structure of society, thus in a general sense they are utilizing embodied abstractions. Second is a practico- methodological rationale. It is reasonable for a historian in the present to presume that a historical subject has engaged in abstraction because she herself finds it impossible to adopt a form of historiography that is completely devoid of some degree of abstraction. There is no writing of history in the present without some degree of assimilation of the source material from which one draws.⁷⁷

Marx's historiography of ideas elucidates many of the challenges and conceptual vicissitudes that attend to the category problem of political economy, but it also raises some important questions about the role of abstraction in political economy that proved beyond the scope of my project here. At nearly every turn in my historical analysis I demonstrate that economists all along—from Copernicus,

77. A corollary of the foregoing formal critique of the linguistic turn might be that abstraction as an epistemic action is a social relation. This requires further research.

Thomas Smith, Bodin, and Davanzati in the sixteenth century; Petty in the seventeenth; Cantillon, Quesnay, Hume, and Adam Smith in the eighteenth; and Ricardo and Marx in the nineteenth—had been engaging to some degree in abstraction as an epistemic action. By and large Foucault's archaeological method fails to pinpoint the productive role that abstraction played throughout the history of political economy. This helps explain why his narrative is prone to serial errors when it comes to comprehending the conceptual developments over time.

William Petty was frustrated that he could not identify a criterion for value, but he recognized the need for more data and set about achieving that. Richard Cantillon cannot stop reminding his readers that he is using the laws of logic and induction as a justification for discounting certain factors while highlighting others. Quesnay's discovery of objective laws of economics was surely a great achievement of abstraction, as was Adam Smith's insight that all laboring activity, not just agricultural, was wealth-producing. This means abstraction in and of itself is not the thing that distinguishes Marx from his predecessors. However, he does seem to be using abstraction of a different, perhaps more refined, form, and obviously his source material is different, which we should understand at a minimum to be his own social world and the texts of his predecessors. Hegel was by no means the only source of inspiration to Marx on the method of abstraction—he adopts the method of English empiricism and speaks highly of Francis Bacon's form of induction—but Hegel was an aid that helped him integrate the concept of motion and *praxis* into his method of political economy. I treat this further in chapter four.

Chapter synopses

The plan and organization of each chapter is as follows.

Foucault conceives of the sixteenth century “Renaissance” as a period of static and single-minded interest in monetarist themes. In chapter one I argue Foucault’s point of entry into a historical analysis of sixteenth century Western economics with Copernicus was arbitrary in that it was based on an archival limitation on his part. All of the texts to which he refers come from the 1930s anthology *Écrits notables sur la monnaie*,⁷⁸ thus he overlooks the foundational role that early scholastic reasoning played, both in its Aristotelian as well as nominalist forms, in shaping the monetary debates of the sixteenth century. I also criticize Foucault’s francocentric account of the Renaissance insofar as it overlooks the tremendous cleavage that enclosures in England wrought upon social relations and the thought of this period, in particular in Thomas Smith’s lively Ciceronian dialogue *A Discourse of the Common Weal of this Realm of England*.⁷⁹ In it we witness an early attempt to abstract the social relations of capitalism out of the ruins of dispossession of the English peasantry.

In chapter two I confirm Foucault’s argument that seventeenth century mercantilist discourse was responsible for representing society’s wealth for the first

78. Jean-Yves Le Branchu et al., *Écrits notables sur la monnaie, XVI^e siècle, de Copernic à Davanzati; reproduits, traduits, d’après les éditions originales et les manuscrits, avec une introduction, des notices et des notes*, 2 vols., (Paris: Félix Alcan, 1934).

79. Thomas Smith, *A Discourse of the Common Weal of This Realm of England*, ed. Elizabeth Lamond, (Cambridge: University press, 1893).

time as a distinctly economic category in money. As part critique yet part criticism of Foucault's narrative, I re-approach early modern conceptions of money as the triumph of nominalist reasoning over scholastic theory. I then turn my attention to Foucault's "analysis of wealth" in the eighteenth century. I argue he errs in defining eighteenth century economic thought as a function of the representation of utility, which he refers to as objects of need and desire. It is of course true that the utility of objects of need was an important strain of economic discourse during this period, but Foucault elides from the history important theoretical developments in the category of labor that would ultimately prove to be ascendant. By leaving labor out of his account of the Classical period, he fails to provide a satisfactory account of political economy as it reflected upon rapidly changing social relations of commercial society. The last section of chapter two provides a detailed critique of Foucault's attenuation of Physiocratic advances; namely, Quesnay's discovery of objective laws of economic motion, a nascent but important concept of production in *net produit*, and perhaps most importantly Quesnay's subtle but real rejection of utility as the ground of economic science.

Chapter three reconstructs Foucault's narrative of the transition from the Classical episteme of representation to the Modern episteme of "Man." The chapter begins with a critique of Foucault's affinity for radical discontinuity in the history of thought. It's an inflexible notion that leads him to make some incomprehensible claims, such as a radical break separates Adam Smith from David Ricardo. I then adduce a detailed analysis of the moral philosophies of the Scottish Enlightenment to

demonstrate that the Kantian conception of an individual who is both the subject and object of knowledge was developed well before the political economy of David Ricardo, which is Foucault's contention. David Hume is known by all to be an empiricist of the first order, and he was in most respects. But one person in particular, his closest friend Adam Smith, detected a slippage in Hume's conception of utility towards rationalism. This, I suggest, was the intellectual backdrop—not to be confused with real developments in manufacturing production to which he was witness—of Smith's rejection of utility as a first principle of political economy. I end the chapter with a critical rumination on the historical condition of possibility of Marx's historicization of the category of 'the social,' which throughout the moral philosophies of Hutcheson, Hume, and Smith remained moored to natural law.

In chapter four I accuse Foucault of using the yardstick of a philosophical question to pass judgment on political economy, which actually takes no interest in formal philosophy. I refute Foucault's argument that a radical break separates Adam Smith from Ricardo and Marx through a textual analysis of Ricardo's political economy that establishes an important degree of continuity between them. I then challenge his neo-Ricardian account of the political economy of Karl Marx by demonstrating an important break between the two in their search for an invariable criterion of judgment of value. Ricardo ran up against an aporia because he presumed that the invariable criterion had to be a commodity exchanged on the market. He soon realized that no commodity could guarantee a stable *Punctum Archimedis* because its own value would be subject to fluctuations as a result of its being subject to

exchange. Marx solves the riddle that confounded Ricardo by distinguishing between concrete and abstract labor. Also, a key difference between Marx and his predecessors stems from his critique of the tradition of mechanistic English materialism, which failed to factor change, motion, and above all human praxis into the theory of abstraction. Marx's overcoming of this particular limitation was a condition of possibility of historicizing the social relations of capitalism.

Scope and method

It is not often that scholarly work on Foucault conducts a thorough examination of Foucault's interpretation of his canon. Many journal articles analyze his interpretation of a particular historical figure,⁸⁰ but it is a daunting prospect indeed to analyze his entire archive. He was a prolific reader. Nevertheless, I set out to do something like this. Even so, this dissertation-length manuscript had to limit the scope of investigation. It carves out a particular niche for close assessment: Foucault's confrontation with the history of economic thought in *Les mots et les choses*. I incorporate his theory of linguistics insofar as it touches upon this primary consideration. The third domain of knowledge that garners his attention, biology, is set aside nearly completely as beyond my scope and purpose.

If I bring any confidence to my claims that he was incorrect on this or that count, it is most definitely grounded in the fact that I took the time to read, *inter alia*,

80. An example is Foucault's interpretation of Botero vis-à-vis Quentin Skinner's in Ryan Walter, "Reconciling Foucault and Skinner on the State: The Primacy of Politics?" *History of the Human Sciences* 21, no. 3 (August 1, 2008): 94–114.

Copernicus, Bodin, Malestroit, Thomas Smith, Davanzati, mercantilists, Francis Bacon, Richard Cantillon, Turgot, Quesnay, Adam Smith, David Ricardo. There is no substitute for archival research. From it flows any rational account of history (this much should be obvious), and without it we're likely to find ourselves swimming in a sea of bad abstractions from theory couched as historical knowledge. I pull this historical thread through the needle at every step of my inquiry, right up to and including Marx.

What follows is a delineation of several organizational features and methodological premises of this dissertation.

The text before you is one iteration of a larger project that will bring Foucault and Marx's work on economics into relation. Outlines of what this larger project will have to undertake can be gleaned from what I've written here, especially chapters three and four where I have occasion to study Marx's approach to intellectual history and then extract him from Foucault's neo-Ricardian grip.

What justifies such a project? Previous criticism, after all, identified Foucault's retreat from class⁸¹ as a structuring principle of contemporary society. I share many of the concerns of previous reviews. However, the history of economic thought is a dimension of mutual interest between Foucault and Marx that has never

81. Ellen Meiksins Wood, *The Retreat from Class: A New "True" Socialism*, (London: Verso, 1986); B.D. Palmer, "The Eclipse of Materialism: Marxism and the Writing of Social History in the 1980s," in *Socialist Register, 1990: The Retreat of the Intellectuals*, ed. Leo Panitch and R. Miliband, (London: Merlin Pr, 1990), 383; For a summary see Richard Marsden, *The Nature of Capital: Marx after Foucault*, (London; New York: Routledge, 1999), 20-4.
<http://Ibid.crcnetbase.com/isbn/9780203165232>.

been pursued in a serious and comprehensive manner—there is a dearth of research in this area.

The question for critique is can a rational reconstruction of Foucault's engagement with political economy reveal specific lines of complementarity between them that goes beyond a traditional Marxist analytic of class? Only an interrogation of the specific manner in which Foucault and Marx's respective historiographical methods account for the category problem of political economy can answer this.

Also, while Foucault's lectures in the late 1970s on neoliberalism draw more attention from scholars than his more extensive consideration of economic thought in *The Order of Things*, an overlooked fact is he imports many of his conclusions from this earlier text into his later work.⁸² Therefore, it is reasonable to anticipate that the present inquiry will shed some light on what his lectures seek to accomplish.

Political economy is an especially fertile ground on which to focus. First, there is a dearth of critical research on the adequacy of Foucault's exposition of the content and context of economic thought. Second, both Marx and Foucault think of the intellectual history of political economy as essential to understanding the transition to modern society, yet the stories they give are very different. Foucault seems to have had the ambition to offer a better account than the one given by Marx of the origin of modern society, thus I would like to know where the contrast between

82. One example will suffice to mention here: he recapitulates his account in *Les mots et les choses* of the physiocratic system on 18 January 1978, but this time under the guise of apparatus (*dispositif*) and discipline, in Michel Foucault et al., *Security, Territory, Population: Lectures at the Collège de France, 1977-78*, (New York: Palgrave Macmillan : République Française, 2007), 31-49.

them is the sharpest, as well as what subject matter is central to both of them. I argue that the history of economic thought provides the best stage for comparing their methodologies critically.

This helps to explain why my dissertation is not principally invested in what either Foucault's *Introduction to Kant's Anthropology* or *The Order of Things* had to say about the Kantian system, nor will it track in detail the status of Kant between the two, though of course questions of this nature merit their own attention. The relevance of Kant's anthropology will become apparent in chapter three and four below on the Modern episteme of "Man," but even there I do not organize my presentation around Foucault's relation to Kant. For one, Foucault makes a remarkable—perhaps implausible—assertion that, "only those who cannot read will be surprised that I have learned [...] more clearly from Cuvier, Bopp, and Ricardo than from Kant or Hegel."⁸³ The relevance of this statement is in the priority that *Les mots et les choses* accords to intellectual history over metaphysics. His readers may balk at taking him at his word, but then it behooves them to account for the fact that *The Order of Things* is structured as an intellectual history and devotes most of its pages to the history of thought.

While this dissertation is primarily an intellectual history, I must emphasize an important methodological presupposition on my part. Developments in the social world are intimately tied to the economic thought of a contemporaneous period. For this reason I frequently make reference to historical events in the course of pursuing a

83. Foucault, *OT*, 307.

conceptual history. Sometimes my emphasis on this link is more pronounced than at other times. This materialist approach to history is lacking or at least very weak in *Les mots et les choses*. Foucault makes an implausible claim that a particular episteme holds explanatory power over not only the creation of ideas and forms of knowledge, but also practices in the real world.

One example may help to clarify why this matters. His account of the Renaissance emphasizes too much the monetary sign as a lonely figure of economic thought during the sixteenth century. Although it's true that the definition of money preoccupied the minds of economists during this century, a complete—and therefore more adequate—intellectual history must be able to assess this line of inquiry relative to other economic concepts that the historical archive demonstrates as amply important. Upon closer examination it became clear that subtle but discernible changes in the conception of money throughout this century and into the seventeenth hinged on major social events that prompted theoretical reflection in new directions. Enclosure of the commons in England forced thought to reconsider the social relations that could save the Commonwealth from popular unrest and rebellion. Concurrently, the Price Revolution was a 150 year-long inflationary event that slowly consigned antiquated scholastic theories to death by a hundred cuts: little by little it became apparent that prices would not be returning to within a normal range explainable by soon-to-be outdated theories of debasement of the coinage. In this context I argue that the rise of nominalist reasoning was the governing epistemic basis in this chapter of the history of economic thought. It is precisely this degree of

historico-conceptual specificity that Foucault's episteme of Resemblance fails to bring into focus.

Another feature worth mentioning concerns my research into fields far afield from my intellectual comfort zone. This dissertation ended up requiring a crash course, at times quite informal, in the history of certain periods of Western philosophy between the times of the scholastics up to the twentieth century. For this I was sorely unprepared, especially when it came to the long period that bridged Aquinas to early modernity. I took some solace along the way from paying due diligence to my archival sources. They acted as a guide, if you will, for what I needed to research further.

An example might clarify what my experience has been. When Francis Bacon encourages his new method of inductive-abstraction to be applied not only to natural phenomena but also to inquiries into human and social nature, he makes his case by claiming his method enjoys the same scope of applicability “as the common logic, which governs by the syllogism.”⁸⁴ His wanted to replace irrational syllogistic reasoning with a more studied approach to induction. Upon reading this in his *Novum Organum Scientiarum* from 1620, I was able to work backwards towards an understanding of a form of reasoning—“common logic” in Bacon's articulation—that seemed to prevail in prior historical periods. This became important for my critique of Foucault because he, too, is vested in the historicity of forms of thought. Thus in chapter one I exert a considerable amount of intellectual labor to understand

84. Francis Bacon, *Works*, ed. James Spedding, Robert Leslie Ellis, and Douglas Denon Heath, New Edition, Vol. IV, (London: Longmans & Company, 1883), 112.

Aquinas's scholastic method of syllogistic casuistry⁸⁵ in order to assess the degree to which Foucault's category of resemblance does or does not explain scholastic and early modern Western economic thought. My conclusion is that Foucault commits a category mistake by thinking about resemblance, or similitude, as the sole epistemic condition governing all thought during this long period, when in fact resemblance was only one form of reasoning among others. This is addressed in chapter one.

My goal has been to avoid two forms of sophomoric analysis that seem to stem from the structure of critique. In the exercise of critique the object of analysis redounds upon the movement of thought by governing to a certain degree the parameters of what is considered germane to the analysis. The servant is master and the master is servant for a long period.

I did not want to repeat Foucault's fetishization of epistemology: how to avoid in the presentation of my critique the categorial placement of historical epistemology ahead of history itself to the point that the epistemology determines the historical narrative? I do not mean to suggest that Foucault's work was sophomoric--his work on historical epistemology was groundbreaking. But for me to say that I'm going to conduct a critique of Foucault's categories and form of thought only to mimic the terms of his own analysis would be sophomoric.

The second form of analysis that would have been unacceptable is a simplistic inversion or negation of Foucault's historiographical vexations, as if epistemology

85. I'm referring here to the philosophical meaning of casuistry, which is case-based reasoning, not the colloquial meaning of the word, which is clever but unsound reasoning. Modern usage of the term no doubt reflects the outcome of philosophical attacks against scholasticism, in which Bacon played an important role.

and the issue of anachronism are not real dimensions of historiography. They are. It was necessary for me to question not only Foucault's specific interpretations, which a proper empirical analysis might suffice to do, but also bring under critical observation a Foucauldian form of thought.

A multi-disciplinary approach that could balance the questions of epistemology, the historiography of ideas, and political economy was necessary to avoid the two aforementioned weak forms of critique. In this sense there were several projects going on at the same time throughout this dissertation. It was imperative to reconstruct on a rational basis Foucault's arguments; this is the basis of an honest critique. Another project was concerned with the method of intellectual history. For this I drew upon a wide range of other methodologists and intellectual historians, including Karl Marx, Reinhart Koselleck, Quentin Skinner, J.G.A. Pocock, Perry Anderson, and numerous historians of specifically economic thought, including Karl Pöribam, J.A. Schumpeter, Mark Blaug, Ronald L. Meek, Terence Hutchison, among others.

Yet another—and perhaps the most difficult—project involved the philosophical challenge to think through intellectual history in terms of a *praxis* of abstraction as an epistemic action that is productive of not only new concepts and new meanings attributed to old concepts but also productive of new forms of thought. I address this more fully in the section on the linguistic turn in the historiography of ideas.

A final methodological feature explains my interpretive strategy with respect

to Foucault's propensity to clarify, develop, reverse, or even withdraw previously made claims. For example, he was known to have suggested in the late 1970s that he was always—as far back as the early 1960s—thinking about “power” or the “subject” or maybe capitalist social relations, etc. Another example is the relation between the preface to the English translation of *The Order of Things*, which significantly revises his definition of episteme, compared to the definition found in *Les mots et les choses*. There are, of course, occasions when hindsight offers genuine insights into the past, but in order to avoid the pitfall of uncritically and unproductively clouding evaluations of his work, my general strategy is to take his authorial reconstructions first and foremost as evidence of his intention and beliefs at the time when he made such comments, and only secondarily—i.e., potentially—as more accurate interpretations of what he said or wrote previously.

This interpretive strategy aligns with my argument throughout that abstraction is an epistemic activity that should be understood as one of the conditions of possibility of thought. For it seems clear to me that what he is doing on these occasions is actively abstracting out of his previous statements a revised or expanded meaning. Or to use a lexical term apposite to the discourse of abstraction, his reconstructions are a ‘reduction’ of his own thought into new categories. The source material from which he draws during his own abstractive process of subsequent reconstruction includes his re-reading of his previous statements, along with comments from other people. In this sense he is always relying upon abstraction to think through, or to think anew, about his own work.

Source material

My step-by-step reading of *The Order of Things* constitutes my primary set of empirical data. This requires a close reading of Foucault's work. Indeed, his claims about certain texts and authors as well as the larger story he tells constitute my primary object of analysis. For those readers already familiar with Foucault's work, this might seem like I'm proposing a discourse analysis of his own work. This is not what I'm doing. A discourse analysis would think of the larger whole in question much more broadly than I do. Whereas discourse analysis would seek to understand the mechanisms by which *all* statements on a particular subject that occur throughout an entire culture accomplish what they set out to do, I intend to reconstruct Foucault's argument from the ground up, starting with the major and minor economists that he cites. Isolating his statements and claims in *The Order of Things* is the most important basis for comprehending his total argument.

In order to place my close reading of Foucault's narrative in a larger critical context, I've expanded my data to include three additional sets of sources. The second data set is the same historical archive that Foucault read. By including his own source material in my evaluation of his work, I am in a better position to understand and evaluate the manner in which Foucault read the archive. Reading the archive presents at least two opportunities. First is the ability to review Foucault's citational practices. Which statements did he elect for quotation, how does this reflect his project and, more importantly, what does it tell us about his appropriation and overall grasp of the history of economic thought? Second is something that Foucault more or less ignores

in his archaeological methods, which are the various forms of thought at work in the manuscripts. The forms of thought in historical documents and the forms of reasoning that they suggest obviously changed dramatically over several hundred years, thus I'm interested in the ways that these changes are not captured by Foucault's analysis, restricted in its focus as it was, to semiotics. His most likely rejoinder would be that semiotic practices are the material basis upon which forms of thought are communicated and given to the historian. While it is true that the materiality of language in the archive is the basis upon which a historian can study historically contingent forms of thought, it does not follow that semiotics provides the best paradigm for how to conceive of this materiality. The choice of language is an economizing function, so the materiality of words in the text are oftentimes indicative of a deeper story that a positivist approach to words cannot do justice.

Another variable that Foucault chose not to consider as a possible epistemic condition is the historical sensibility of authors. Copernicus read the Greeks, but his exposure to their ideas, plus his realization that others before him raised similar questions, are not considered epistemic conditions by Foucault. Another factor is the transmission of concepts at various stages of development and coherence from one author to the next or from one period to the following. William Petty was aware by the end of the seventeenth century of the importance of a concept of labor in economic reasoning, but in Foucault's account, the category of labor does not register as a condition of knowledge for economists throughout the eighteenth century, even though they most certainly read Petty's work and either agreed or disagreed with it.

Thus reading the source archive is especially important because it sharpens my analysis regarding the historical specificity of conceptual difficulties and developments that must be, I will argue, a key dimension of any episteme. If I'm right, then the nature of intellectual history research in general and Foucault's in particular must be evaluated along these lines, and the primarily linguistic approach that Foucault adopts in *The Order of Things* is too reductive.

The third data set in my study is contemporary book-length commentaries and journal articles in the history of economics and economic thought. My approach via intellectual history allows me to bring Foucault's ideas into dialogue with other intellectual historians. By considering alternative comprehensive histories, I gain the advantage of multiple critical perspectives. Differences in critical perspectives may be methodological, historiographical, and epistemological, but also political and ideological in nature. While it is well beyond the scope of my project to bring all of these differences into focus, having access to these alternative histories has its advantages. To begin with, I am able to juxtapose Foucault's interpretations to theirs. Also, some of these alternative histories were published before Foucault's career (Rubin [1929], Dobb [1945], Schumpeter [1954]), from those contemporaneous to his (Seligman [1962]), and those after (Blaug [1985], Pribram [1983], Hutchison [1988]), I can detect the set of intellectual concerns that may have been motivating Foucault when he wrote; in other words, it is possible to historicize Foucault's contribution to the history of economic instead of seeing him as our own theoretical progenitor.

Furthermore—and this brings us to my fourth data set—the alternative histories bring out of the shadows those archival sources that have no voice in Foucault’s story. There are important economic texts that he was either unaware of or chose not to include in his history. We will want to know what some of these are and what role they might rightly play in the history as well as in a critique of Foucault’s version of it.⁸⁶ To this end each of the following chapters includes at least one such set of evidence that I deem important enough to work into my critique of Foucault’s history. These include scholastic economists and the issue of enclosures in England for chapter one; William Petty’s conception of labor in chapter two; the Scottish Enlightenment’s science of man discourse in chapter three; and an attentive reading of Marx’s critique of mechanistic English materialism in chapter four.

To recap the empirical points of departure of my study, there’s Foucault’s citational practice with his claims, Foucault’s archival source material from the sixteenth through eighteenth centuries, alternative comprehensive histories of economic thought, and archival evidence that he left out of his study. All of these directly inform my critique of his categories of analysis, explanation of the history, and his form of thought more generally.

86. The list of such omissions is not endless, but it is considerable. Needless to say, it is beyond the scope and purpose of this dissertation to give a complete summary of the history of economic thought. For more see Schumpeter, *HEA*, 155-61.

CHAPTER ONE

“This is a marvelous dearthe, that in such plentie cometh”: Early Modern Dynamism and a Crisis of Enclosures Against Foucault’s Static Monetarism

This chapter is a close reading and critique of Michel Foucault’s engagement in *The Order of Things* with the history of early modern economic thought. A summary of the argument that highlights key terms and historical periods will be helpful. *The Order of Things* as a whole is an exegesis of historically distinct modes of representation leading up to and including the Modern period. In essence it seeks to present a history of the conditions of possibility of all knowledge in Western culture from the Stoics to present day. Its narrative starts, however, at the beginning of the sixteenth century. The previous 500 years can be broken up into primarily three historical epochs, each of which is defined in terms of its specific conditions of all knowledge—its *episteme*. Foucault defines episteme as “the fundamental codes of a culture—those governing its language, its schemas of perception, its exchanges, its techniques, its value, the hierarchy of its practices.”⁸⁷ It is important to emphasize that epistemes are historical phenomena—these fundamental codes that make ideas possible in the first place undergo dramatic changes over time. The Renaissance period in this account is the sixteenth century; the Classical period is the seventeenth–eighteenth centuries; the Modern, since then. In particular, each period is governed by strict principles that control the process by which signs, symbols, and language achieve their aim of making meaning, whether it be ideas, concepts, knowledge, art,

87. Foucault, *OT*, xx.

or even state policies.

Because each episteme is quite static for hundreds of years at a time, the only historical “events” that are of primary interest are those epistemic interludes, relatively brief in duration but spanning a few years to in some cases several decades, during which an episteme undergoes dramatic transformations from one period to the next. Importantly, these historical transitions portend such a complete rupture in the conditions of knowledge that our ability to comprehend forms of thought from previous periods is incapacitated to the point that we cannot approach a study of those periods at the level of what they posited as knowledge (i.e., their concepts, ideas, theories, disciplines, etc.) Historical rationality is restricted to those conditions that made such positivity possible in the first place.

But the ruptures between the Renaissance, Classical, and Modern eras must have something in common, lest the secular epochal transitions be completely unknowable in an historiographical sense (in which case *OT* could never have been conceived of and written in the first place). In other words, a common element across all periods must be found that not only escapes but gives shape to the great ruptures in history, upon which Foucault bases his periodization. The periods themselves are simply the most general abstractions of events taking place elsewhere in the order of being. Likewise, shifts in the conditions of knowledge are themselves merely effects of a more fundamental process of change. At history’s deepest place, where “there is the pure experience of order and of its modes of being,”⁸⁸ the most fundamental

88. Foucault, *OT*, xx. Heidegger’s influence on Foucault is palpable.

historical changes are semiological in nature: a radically new incarnation of signs and how language functions in society as the medium of communication.

My argument in this chapter is as follows. Foucault characterizes all thought and action during the 1500s “Renaissance” as governed by forms of resemblance, yet he provides little reason to think of this as a re-birth of any kind. Where Foucault sees redundant similitudes as the sole condition for knowledge, I demonstrate the inadequacy of resemblance to explain the historical and conceptual developments from competing schools of medieval economic thought into and throughout the sixteenth century. While Foucault is correct to emphasize the importance of debates concerning the nature of money, he errs in concluding that the nature of money was the singular topic of analysis for all economists and that, secondly, all thought on this particular subject was determined by resemblance (or similitudes). In contrast to this I argue for a periodization of sixteenth century economic thought in terms of a dynamic early modernism that reflects two irreversible changes in social relations. The first development is textual and a feature of the thought of this period, but this reflects real-world changes: enclosures of the commons in England undermined centuries of access by the peasant farming population to the means of their own subsistence. Thus “enclosures” must be understood, from the perspective of English contemporaries of this time, as an economic concept that must be explained. The second development was strictly contextual in that it was an ongoing event throughout this century, though it had far-reaching ramifications on the theory of money. The importation of precious metals from the Americas, mainly via Spain, fueled the inflationary Price Revolution

across Europe. The Price Revolution fueled the gradual displacement of Thomistic notions of money in favor of nominalist theories, though as I will show, nominalist theories had already been in circulation for a few centuries. They were formulated as a challenge to Thomism nearly immediately after the *Summa* was published.

Meanwhile, sixteenth century England witnessed its own unique set of social conditions that Foucault overlooks. Enclosures had already begun in the late fifteenth century, but they continued and even proliferated to the point of causing popular uprisings and rebellions throughout the countryside during the second half of the sixteenth century.

Foucault begins his economic study in the early sixteenth century. The earliest manuscript he cites is Copernicus's *Discours sur la frappe des monnaies* ("On the coinage of money"), a few versions of which were written and revised by Copernicus between 1522-1526. Although Foucault elected to begin his analysis of economic thought with Copernicus, it will be necessary to begin our critique with medieval economic thought in order to frame properly Foucault's argument. The purpose in doing so is to pinpoint with greater clarity than he grants the conceptual network informing his own analysis. He wades into a particular conceptual bias relatively unaware of how previous medieval centuries of Scholastic thought brought him to that threshold. Namely, there was a general decline of Thomistic-Aristotelian principles as the nominalist approach to social thought became emergent. This blindside of his account can be attributed to a methodological weakness: archaeology does not in theory allow for the possibility of a history of economic thought (though

in practice it does), so he never asks the precise critical questions that would have been necessary to interrogate his own conceptual point of entry into the sixteenth century. Of course the source of his conceptual bias can only be found in the forms of economic thought that preceded his own starting point. This is the rationale for my study of medieval economic theories leading up to Foucault's genesis with Copernicus.

This also means that my argument, grounded as it is in a fairly dense analysis of the economic archive, is not limited to a critique of Foucault's understanding of resemblance as the sole epistemic condition in the sixteenth century. To be sure, I will show how Foucault's argument of resemblance cannot possibly explain the diversity and complexity of economic thought during this time, but I compliment such negative criticism of his claims with a positive alternative that seeks to offer a more rigorous and satisfying account of the economic intellectual history.

Since the primary focus of this chapter deals only with economics from medieval through the sixteenth century, I do not begin with a general summary of the entire book but instead with a limited presentation of Foucault's purpose and concerns specific to the history of economic thought of the sixteenth century

In the conclusion of this chapter I draw upon the dense, empirical presentation of my analysis in order to move beyond a merely chronological confirmation or refutation of Foucault's various claims. The goal throughout the conclusion will be twofold: first, to highlight the nature and shortcomings of the category problem in Foucault's account of sixteenth century economic thought; second, by abstracting

from my own reading of this historical period, I will adduce a different category problem that Foucault's study misses. This can be adumbrated here as the historically premature yet distinct appearance in conceptual history of the problem of the Economic, which will continue to develop over the next several hundred years into political economy and the science of economics proper.

Foucault's francocentrism before Adam Smith

The Order of Things has the appearance of being a sweeping, total critique of the entire field of political economy because a considerable number of major and minor economists are mentioned, analyzed, or cited. To accomplish this, Foucault draws from an impressive—though by no means exhaustive—archive. Any historian can be given considerable latitude in choosing to include and foreground certain data, figures, texts, or events while excluding or deprioritizing others. From a bird's-eye view of the historian's trade, this is a non-issue. However, it becomes a problem of historiography when a gap opens up between the sources consulted and their ability to prove (or demonstrate persuasively) the scope of claims being made.

Despite the appearance of being a total critique, upon closer examination it becomes clear that Foucault's choice of archive is francocentric. Although the issue of francocentrism in Foucault's historical narrative holds true for the entire period prior to Adam Smith, I've included my analysis here in chapter one for reasons of argumentative succinctness. The reader would do well to keep the francocentric element in mind in the following chapters two and three, as well.

Approximately 70% of all citations from economic manuscripts in chapter six, “Exchanging,” on the sixteenth to eighteenth centuries are from French writers. All of this would seem reasonable to the average French person who is likely to mark pre-Modernity with all time prior to the French Revolution, thus financial crises during France’s absolutist regimes and debates over economic reform in the decades before the great upheaval will stand out.⁸⁹ To the English observer this would not suffice, since the problem of enclosures, which started centuries before 1789, constituted an important break within English social relations. These cataclysmic changes were reflected in the economic thought from the island. For this reason in chapter one I delve into considerable detail about enclosures as an economic concept in Thomas Smith’s text *A Discourse of the Common Weal of this Realm of England* (1581).

Publishers of the English edition of *The Order of Things* in 1970 duly note that they referenced English versions of all of Foucault’s source material that was originally written in English. In actuality he consulted mostly French translations of English-language texts. There’s no reason to assume that Foucault thought his audience would be primarily outside of France (which is not to say that he did not think such an audience was not out there). More importantly, as he explained in a special Foreword to *The Order of Things*, the book was intended in part to unsettle prejudices in France that gave “pride of place to mathematics, cosmology, and

89. So argues Reinhart Koselleck about national perspectives on the start of the Modern period. See Reinhart Koselleck, “The eighteenth century as the beginning of modernity,” *The Practice of Conceptual History: Timing History, Spacing Concepts, Cultural Memory in the Present*, (Stanford, Calif: Stanford University Press, 2002), 154-69.

physics—noble sciences, rigorous sciences”—as opposed to those other disciplines “too tinged with empirical thought, too exposed to the vagaries of chance or imagery,” in other words, too “irregular” to be taken seriously.⁹⁰ In hindsight this is somewhat paradoxical because he ended up over-shooting his target by formalizing a code of intelligibility so strict for these looser disciplines that even physicists could be envious.

Foucault leans considerably on three major French-language anthologies of economic texts. Together they account for nearly 30% of all of Foucault’s approximately 80 citations from economic manuscripts in chapter six, “Exchanging,” of *The Order of Things*. Nine citations, or 11% of the total were from sources he accessed in a well-known 1934 original anthology edited and introduced by Jean-Yves Le Branchu titled *Écrits notables sur la monnaie* (*Notable writings on currency*).⁹¹ The two slender volumes of this anthology brought together sixteenth century texts on money that were not included in the famous nineteenth century 15-volume French anthology of economic texts collected under the general heading *Collection des principaux économistes*, which commenced with the seventeenth century. *Collection des principaux économistes* was being re-printed in the 1930s, and Francois Simiand, who was overseeing the re-printing, decided to expand the project backwards in time to the sixteenth century. Included in Le Branchu’s *Écrits notables* are works by Copernicus, Malestroict (Foucault: Malestroit), Thomas Smith, Jean Bodin, Thomas Gresham, and Bernardo Davanzati.

90. Foucault, *OT*, ix.

91. Le Branchu, *Écrits notables*, 2 vols., (Paris: Félix Alcan, 1934).

The editorial decision to focus on the sixteenth century was most likely influenced by contemporary debates dating from the early twentieth century on the quantity theory of money, as well as Britain's more immediate decision in 1931 to go off the gold standard. Irving Fisher breathed fresh life into the quantity theory of money in *The Purchasing Power of Money* (1911).⁹² Keynes would also consider its relevance (and, like Marx, accept its basic claim that there is a definite relationship between the supply of money and prices, though each of them refused its monetarist foundation).

One French review of Le Branchu's *Écrits notables* commended it as a work "of the first order" to both historians and economists reflecting on the "burning issues of the day."⁹³ Hayek was laudatory that "all the really outstanding contributions"⁹⁴ on money from the sixteenth century were included in the anthology; beyond this, he had nothing of substance to say. English-speaking academics were less impressed by the substance of Le Branchu's introduction, though they gave a definite nod towards its editorial practices. Earl J. Hamilton, who served as president of Duke University, Northwestern University, and University of Chicago and who was a hispanist with

92. Irving Fisher, *The Purchasing Power of Money*, (Library of Economics and Liberty, 1922). <<http://www.econlib.org/library/YPDBooks/Fisher/fshPPM.html>> "The main contentions of this book are at bottom simply a restatement and amplification of the old "quantity theory" of money. With certain corrections in the usual statements of that theory, it may still be called fundamentally sound. What has long been needed is a candid reëxamination and revision of that venerable theory rather than its repudiation," (Preface to the First Edition).

93. Paul Harsin, "Review of Le Branchu, *Écrits Notables*," *Revue Belge de Philologie et D'histoire* 15, no. 3 (1936): 1114–17.

94. F. A. v. Hayek, "Review of Le Branchu, *Écrits Notables*," *The Economic History Review* 7, no. 2 (May 1, 1937): 250–51. doi:10.2307/2590173.

publications on the impact of American silver on prices in sixteenth century Spain,⁹⁵ admired Le Branchu's "illuminating introduction," even if, as he pointed out, the most important part had little to do with money and instead focused on identifying the correct authorship of *A Discourse on the Common Weal of this Realm of England*.⁹⁶ What the introduction did have to say about the sixteenth century Price Revolution, Hamilton rejected: Le Branchu's "unfamiliarity with recent studies of sixteenth century prices" led him "to place the beginning of the Price Revolution too late."⁹⁷ Hamilton and yet another review by Hawtrey⁹⁸ remained unpersuaded regarding several aspects of Le Branchu's conclusions regarding the origins of the quantity theory or Gresham's Law that bad money drives out good, as well as the precision of certain translations. In a more general review, Howard Ellis, who served as president for both the American and International Economics Association, praised Le Branchu for "careful editorial annotation."⁹⁹ In general, then, *Écrits notables sur la monnaie* was favorably received for its timely collection of sixteenth century texts and for Le Branchu's editorial decisions, but it fared less well from Anglo-American quarters in terms of its grasp of the actual history of economics of this century.

95. Web search on 9/25/14 for "Hamilton, Earl J." at University of Chicago Library Catalog, <https://catalog.lib.uchicago.edu/vufind/>

96. Earl J. Hamilton, "Review of Le Branchu, *Écrits Notables*," *The American Historical Review* 41, no. 2 (January 1, 1936): 324–25. doi:10.2307/1850300.

97. Ibid., 325.

98. R. G. Hawtrey, "Book Review: *Écrits Notables*," *The Economic Journal* 46, no. 181 (1936): 134–36.

99. Howard S. Ellis, "Book Review: *Écrits Notables*," *The American Economic Review* 25, no. 4 (1935): 783–84.

In other work Le Branchu published a short 95-page essay on *Les origines du capitalisme en Angleterre* (1935). This was dismissed in one review as comparable to a term paper by a graduate student, in part because it failed to account for then-recent research on the transition to capitalism and hypothesized loosely about the factors leading up to it, even going so far as to conclude that “in England industrial capitalism preceded and conditioned commercial capitalism.”¹⁰⁰

Foucault cites neither Simiand’s preface nor Le Branchu’s 100-page introduction to *Écrits Notables*, but it’s highly unlikely he would have passed over them completely. After all, they make up more than a third of the first volume. It’s possible that both Simiand and Le Branchu were, at this time in the 1930s, under the spell of a rising if inchoate monetarism. Simiand suggests that all texts of the sixteenth century “relate to the same set of sole or principal facts which, even if treated differently, always appear: monetary facts.”¹⁰¹ He justifies the collection in a few ways, most notably because

the development of economic studies often revised, since [Daire], the order of value among older texts, which shows the interest or importance of works here ignored or misunderstood; finally, because in this day a collection of this kind seems not to have to adjust to an eliminating orthodoxy or conformism, but need only be determined by the value contributed to the overall development of economic thought.¹⁰²

100. Herbert Heaton, “Review of *Les Origines Du Capitalisme En Angleterre* by Jean-Yves Le Branchu,” *Journal of Political Economy*, Vol. 44, No. 4 (Aug., 1936), 573. Published by: The University of Chicago Press Article Stable URL: <http://www.jstor.org/stable/1823210>,” n.d.

101. Simiand, “*Avant-propos*,” in Le Branchu, *Écrits Notables*, tome 1, xii.

102. *Ibid.*, ix.

I mean to suggest here that Foucault, by utilizing *Écrits Notables* as the springboard for his own study of sixteenth century economics, waded into his analysis under the influence of Great Depression debates on monetarism. Furthermore, the terms of this debate seemed most advanced in the Anglo-American world, not in France (viz., Hamilton, Hawtrey, et al.).

French publishing house Chez Guillaumin undertook the massive 15-volume *Collection des principaux économistes* in the 1840s; it included many of the major economic texts up to that day. Foucault includes at least two of these fifteen tomes among his works cited, both of which were anthologies edited by Eugène Daire. Nearly 20% of Foucault's economics citations in "Exchanging" on the seventeenth and eighteenth centuries are taken from Daire's anthologies. The first tome is *Économistes Financiers Du 18e Siècle*¹⁰³, which was re-printed in 1934 and 1971. (The 1934 re-print presented the opportunity, mentioned above, for Simiand and Le Branchu to extend the project back in time to the sixteenth century.) The second is dedicated to the French Physiocrats,¹⁰⁴ Incidentally, these two Daire volumes were widely cited by Marx throughout his major economic writings.

Beyond the Le Branchu and Daire anthologies, the remaining two-third citations in "Exchanging" come from single-author sources or other texts. Of these, just over 40 citations, approximately 50% of the total, come from French authors. To

103. E. Daire, *Économistes Financiers Du 18e Siècle: Vauban, Boisguillebert, Jean Law, Melon, Dutot. (Recueil de Textes) Précédés de Notices Historiques*. (Genève: Slatkine Reprints, 1971).

104. E. Daire et al., *Physiocrates*, (Paris: Librairie de Guillaumin, 1846).

sum up, between 75-80% of all citations in “Exchanging” come from French authors or from the French anthologies.

With respect to Foucault’s citational practice, the sense of his francocentrism is reinforced by the archival omissions from the period in question. In some cases they are hard to understand and even surprising, especially considering that one of his own standards of success was to give a full or near total account of the archive. This, after all, is what his concept of episteme purports to do. His argument might be that those who made the cut into his book capture in plenitude the history of economic discourse and therefore demonstrate the veracity of his analysis. Under scrutiny this will not pass muster because some of the texts that he left out suggest epistemic conditions other than his own. The omissions that stand out the most are sixteenth century Tudor England reformers of the Commonwealth as well as seventeenth and eighteenth century pre-Smithian Scottish Enlightenment philosophers.

One of the most glaring omissions is William Petty from the late seventeenth century, who wrote on many important aspects of economic theory ranging from statistics, the theory of value, division of labor, the supply of money and its circulation, national wealth and accounting methods, foreign trade, and more.

In addition to Petty, the greatest problem of omission in *The Order of Things* can be summed up in a term: the Scottish Enlightenment. Neither Francis Hutcheson, who was Adam Smith’s teacher and who occupied the same chair in moral philosophy that Smith would eventually assume, nor David Hume, whose essays on

economics Smith read out loud in Glasgow, merit any consideration by Foucault.¹⁰⁵ I suspect the reason for this goes beyond Foucault's predilection to read French authors, because after all he does include short references to Hobbes and Locke. Now, in Foucault's narrative, Smith's *Wealth of Nations* inaugurates (though it does not complete) a crisis in the epistemic conditions of Classical economics. Therefore Smith is, as would Foucault would put it, a bridge between the Classical era's "analysis of wealth" and the Modern era's capacity to forge ahead into formal political economy and systemic thinking. Of course the argument that Smith represents a sea-change in economic history is hardly controversial. The problem is that Foucault's conception of the periods can only work if historical continuities between everyone preceding *Wealth of Nations* and Smith are kept to a bare minimum. That bare minimum is that Smith, along with all his predecessors, still operated according to the terms of a Classical sign that represented. It became necessary to avoid, therefore, the plethora of specific conceptual links and changes that occurred throughout the eighteenth century. The key set of conceptual changes, which I demonstrate in chapter three, is the development of a science of man that already invoked the concept of the individual upon which Foucault relies to construct his Modern episteme in the nineteenth century.

The "Renaissance" episteme: Resemblance

105. Petty is given the most minor of all possible references in a note. See Foucault, *OT*, 213, n. 50.

During Foucault's Renaissance, all thought, knowledge, as well as all semiotic and social practices adhere to the principle of Resemblance: "To search for meaning is to bring to light a resemblance"¹⁰⁶ between objects. This was an age of magic, chimeras, visions, madness, superstition, and games. It is a fascinating narrative of how people perceived the world during this strange, bygone era.¹⁰⁷ When we conduct a close and conceptual reading of the economic texts of this century, we will encounter with Foucault the evidence that resemblance was indeed one form of thought during this time. However, Foucault went too far in claiming that it was the epistemic condition of *all* thought during this period; it was one among other forms of thought. It is helpful to think of it as one analytic *inter alia* that animated economic discussions. The other conditions that existed but which Foucault overlooked are not so strange to us today. They provide a certain continuity at the level of epistemology from centuries ago to today. In short these other forms of thought include the history of concepts, concrete social history that is both responsible in the final analysis for bringing forth ideas all the while being ramified by those ideas, and subtle but nonetheless important developments in the history of abstraction itself. Indeed, I argue that *The Order of Things* unwittingly describes but fails to identify changes in the history of abstraction in Western thought. I tend to think of Foucault's research as uncovering the historical relativity of forms of abstraction. In other words, the reason why Renaissance thought is so bizarre is not only because we think according to the

106. Foucault, *OT*, 29.

107. See Foucault, *OT*, 17-45, for the Renaissance. All quotes are Foucault's unless otherwise noted in a separate footnote.

terms of a radically different set of conditions of knowledge, nor merely because we use signs differently, which are the two reasons that follow from Foucault's analysis, but because our forms of abstraction are different enough that our conception of what constitutes thought proper is also different. Granted, Foucault would probably respond that it is precisely the sign-structure that determines the definition of proper thought, but this is why the argument comes to a head over his *logically prior* conception of what constitutes the conditions of possibility of knowledge.

Regardless, the chapter title beautifully captures his reading of the relationship between language and objects: "The Prose of the World." Language during this period is literally writing the world into existence, although, at the same time, it is simply bringing to light that which already exists, if only the correct resemblances linking everything to everything can be deciphered. For this reason, Foucault asserts that the task for all thought during the Renaissance was to "interpret" the world. There are four forms of resemblance that comprise the totality of all possible signs, binding them together, and with them the entire Renaissance world, in a series of similitudes.

Convenientia (convenience) is a resemblance by way of proximity in space. Since objects touch each other in immediate space, they must communicate with and are impacted by each other: "the body is altered and corrupted by the passions of the soul"¹⁰⁸ while the "soul receives the movements of the body." Plants and animals,

108. Foucault, *OT*, 18; originally from G. Porta, *La Physionomie humaine*, (Fr. trans. 1655, 1).

earth and sea, man with everything he comes into contact with, God with all being: “the world is linked together like a chain.”

Aemulatio (emulation) is similar to *convenientia* except this form of resemblance is “freed from the law of place” so that, even at a distance removed from each other, two objects can imitate one another. In this figure of similitude, “the world abolishes the distance proper to it” and “overcomes the place allotted to each thing.” We are in a pre-Newtonian era that lacks a conception of mechanical cause and effect to define the proper relation between objects. Furthermore, “one [object] may be weaker” or more dominant than its opposite, thus establishing a sort of hierarchy throughout being: “The stars are the matrix of all the plants and every star in the sky is only the spiritual prefiguration of a plant...the celestial plants and herbs are turned towards the earth and look directly down upon the plants they have procreated...”¹⁰⁹ Unlike convenience, in which being is linked together by spatial proximity into a great chain, emulation establishes a different spatiality based on a series of feedback loops that vie for importance. At stake in the debates of this age is something like the correct interpretation of these forms of resemblance so that their proper hierarchies can be established.

Analogy is the third and a slightly more complex form of similitude because, unlike the previous two in which the visible resemblances between discrete objects are mapped out, here it is the invisible relations between objects that are thought to be similar. As a result of these invisible relations, there is always the possibility of a

109. Foucault, *OT*, 20; originally from O. Crollius, *Traité des signatures*, (Fr. trans. Lyon, 1624, 18).

myriad analogies that can be superimposed upon each other, as in a list. The emulation of “sense organs to the face they animate” is analogous to that of “skin moles and the body of which they are secret marks.” Analogy brings all resemblances into contact with each other in a proper order that must be interpreted, and “through it, all the figures in the whole universe can be drawn together.” Perhaps most interesting about analogy is that there is a particular point in the order of being that serves as the measuring stick for all analogies: Man is saturated with analogies to all other objects. He stands upright “in proportion to the heavens, just as he does to animals and plants,” his blood runs its course through his veins in the same way that stars have their fixed routes in the sky, “his bones are like rocks, his veins great rivers, his bladder the sea,” et cetera.

The power of *sympathy* is its unique capacity to transform an object into another. It threatens one object with ontological collapse into a sameness with another object. Fire is explained as originally having sympathy with the earth since it is dry; and yet, because it is also warm and light, it rises into the sky towards the sun, at which point it relinquishes its dry sympathy with the earth and takes on a new sympathetic relation to air’s humidity, which in turn explains why it eventually disappears. This power of transformation is so strong that it would “reduce the world to a point, to a homogenous mass,” thus it must be compensated in Renaissance

thought by its opposite, *antipathy*, which promises the isolation of things. “It is said that the olive and the vine hate the cabbage; the cucumber flies from the olive...”¹¹⁰

In the Renaissance language enjoys—what else?—a resemblance to the world it signifies. There is no such thing as an autonomous sign as there would come to be for Classical scholars. “In its raw, historical sixteenth century being, language is not an arbitrary system; it has been set down in the world and forms part of it.” Just like the world offers its resemblances to people to be interpreted, so too “words offer themselves to men as things to be deciphered.” Language is just one more object in the world that must be studied for its resemblances. This is why the primary mode of writing during this period is commentary, in which texts are merely interpretations of prior texts, which is another way of saying an interpretation of how accurately a previous text resembles its objects. This thought form is not one in which idea-interpretations are refuted, rather new interpretations are piled onto older ones.

Another way to grasp resemblance as the definitive epistemic condition is to distinguish it from the Classical episteme.¹¹¹ Although this risks getting ahead of the analysis on the Classical period, it is practical since Foucault’s construction of the differences between these two epistemes renders the Classical form of thought a bit more familiar to our eyes, whereas the Renaissance way of thinking is so foreign to us ‘Moderns’ that it was the cause of Foucault’s “laughter that shattered, as I read the passage, all the familiar landmarks of my thought—*our* thought, the thought that

110. Foucault, *OT*, 24; J. Cardan, *De la subtilité*, (Fr. trans. Paris, 1656), 154; see (Girolamo and Forrester 2013) for a recent edition.

111. See Chapter Two for in-depth coverage of the Classical episteme of representation.

bears the stamp of our age and our geography...”.¹¹² During the Renaissance, signs and things resemble each other because they are not subject to a law of identity. If in a form of thought a sign is said to be identical to the thing it represents, then the two items would be perfectly exchangeable for each other. The Classical episteme is Representation, and as we will see, it will yield in the sphere of economics the formal representation of exchange. With resemblance, the operation of thought is of a different order.

Let us call the totality of learning and skills that enable one to make the signs speak and to discover their meaning, hermeneutics; let us call the totality of the learning and skills that enable one to distinguish the location of the signs, to define what constitutes them as signs, and to know how and by what laws they are linked, semiology: the sixteenth century superimposed hermeneutics and semiology in the form of similitude. To search for a meaning is to bring to light a resemblance. To search for the law governing signs is to discover the things that are alike.¹¹³

Not identity and exchange between signs and things but a less exacting similitude between them brings all things into relation. The boundaries that define the relations between things under the episteme of resemblance would never be coterminous—i.e., two things (signs) would never have the same extent in time, space, or meaning. This means that instead of there being a great table of knowledge on which all signs (e.g., words) can be listed in terms of their identity with one thing, the order of resemblance creates a vast, near infinite and always expanding web of relations based on a “slight degree of non-coincidence”¹¹⁴ as each sign calls to mind some other sign before that initial similitude dissolves and gives way to some other resemblance. The mind of a

112. Foucault, *OT*, xv.

113. *Ibid.*, 29.

114. *Ibid.*, 30.

Renaissance person creates knowledge simply by deciphering resemblances, and then the next, and so forth. These resemblances “are not selected contents but required forms,”¹¹⁵ which is to say that resemblance is the structure of the form of thought of this age.

The Renaissance mind’s work would never be complete if the infinite system of resemblances did not feature a countervailing force to bring it to rest from time to time. Foucault proposes a second dynamic to “arrest the indefinite oscillation between resemblance and sign.”¹¹⁶ “The relation between microcosm and macrocosm should be conceived as both the guarantee of [all] knowledge and the limit of its expansion.”¹¹⁷ His explanation for this is not entirely convincing, in part because he does not define what the concept of microcosm was during this period. Conceptual specificity is not his strong suit, nor his goal. But the basic upshot of the microcosm-macrocosm axis is that the latter both authorizes and delimits all knowledge. Any resemblance in the world is assumed to have its counterpart in the cosmos, that sphere of created order and being that only God knows.

One of the more interesting aspects of Foucault’s theory is that this “endless spiral” between micro-macrocosm “obliged knowledge to accept magic and erudition on the same level.”¹¹⁸ In this regard Foucault criticizes a contemporary presumption that the sixteenth century was a mixture of rationality and irrational myths and belief in magic, because this too easily misperceives the past as rife with structural flaws.

115. Foucault, *OT*, 32.

116. *Ibid.*, 172.

117. *Ibid.*, 32.

118. *Ibid.*, 32.

Instead, the unity of magic and rational discourse must be understood as an organic outcome of the resemblance episteme and a belief in the natural relationship between the observable world and the heights of cosmic imagination. Indeed, so rigorous is this relationship between microcosm and macrocosm that Foucault sees it as the form of rational structure of all Renaissance thought, hence one key to a historical understanding of this age. However, he adduces little evidence for the control of this general structure of thought in every individual mind; he presumes that he can abstract from a number of extant world views from the sixteenth century a general domain applicable to all subjectivity.

Two final comments are in order, the first comparing resemblance to the Classical period's episteme of representation and then a second to Modernity's discernment of hidden laws of motion. Because during the Renaissance language exists side by side with everything else as just one more object that can resemble something else, language cannot serve the function of analysis of non-linguistic objects as it would come to do in the Classical period. There is no means by which the outward appearance of a thing will mark its boundaries to give it a specific, unique identity. For this reason there is no need to hone the power of empirical observation, which presumes a distance between language and the world being analyzed. It won't be until the Classical period that this happens, examples of which include the precise and correct naming of each and every object and Bacon's criticism of the Renaissance mind's propensity to be led astray by fables, imagination, and idols.

Nor is there any depth to being in the Renaissance in which hidden or abstract laws are presumed to operate “behind” a thing’s outward properties, laws that set logical limits on the course of a thing’s development. It won’t be until the Modern period for the notion of laws to govern the production of knowledge. Examples of law-like tendencies that we might take for granted but which Foucault says do not apply to the sixteenth century include the hidden yet effective repression in psychoanalysis and the role of the Unconscious in determining consciousness. Regarding economics, the Modern period’s discovery of laws of production ground a deep structure determining the outcome of economic phenomena. But instead of Classical rigor and Modern depth of analysis, Renaissance resemblance is characterized by a surface shallowness that expands outward exponentially. Wisdom is called for, as the wise person is endowed with the gift of knowing which resemblances matter. And what guides this wisdom? “The truth of all these marks — whether they are woven into nature itself or whether they exist in lines on parchments and in libraries—is everywhere the same: coeval with the institution of God.”¹¹⁹

I conclude this summary of Foucault’s resemblance episteme by pointing out the problems with his theoretical account of Renaissance semiotics. Despite the attention that he gives to laying out the four—five if we count antipathy distinct from sympathy—forms of resemblance, and despite the archival citations he mobilizes to support his analysis (see footnotes 49-51 *supra*), significant problems betray his account of sixteenth century economics. First, by the time we read about his review of

119. Foucault, *OT*, 34.

economic texts in *The Order of Things*, all these distinct forms of resemblance seem to fall by the wayside and everything becomes a generalized similitude. In other words, there is a gap between his theory of the semiotic practices of the sixteenth century and how he applies this theory to the economic texts of this period. Second, even if we were to assume that his theoretical formulas could be applied in detail to economic discourse, there is a much more serious problem with how he reads the archive very partially to support his general aim. Foucault's argument that economic thought is rigorously determined by resemblance is too reductive because archival texts provide ample evidence to the contrary. He is so highly selective in his citational practice that he ends up ignoring all of the textual evidence indicating forms of thought that had little to no resemblance to his Resemblance episteme. This is true of his quotations from Copernicus, Gresham, Davanzati, Bodin, Malestroit, and Thomas Smith. Finally, and perhaps most problematic, his claim that language is merely part of the world and not representing it must be disregarded altogether. Nowhere does Foucault attempt to substantiate this claim in his account of sixteenth century economics, because although it sounds good theoretically, it is impossible to apply to the texts. I argue alternatively that sixteenth century economic thought, from its earliest decades until the end of the Elizabethan era, was far from determined solely by an ancient and static form of resemblance; instead, there important conceptual and analytical legacies from the prior Medieval epoch as well as indications of latter, Classical forms of representational thought already apparent throughout the sixteenth century.

The historiography of the “pre-history” of economic analysis

Foucault thinks of pre-seventeenth century economic thought as a pre-history to the transition to modernity, with a first major break occurring with *Don Quixote* in 1605. This explains the expansive, two millenia purview he grants to the resemblance episteme of the “Renaissance.” The notion of a “pre-history” is not unique to Foucault, but others have configured its relation to modernity differently. A historiography nearly diametrically opposed to Foucault’s is Neal Wood’s, whose work on sixteenth century English social thought is able to discern a certain, if carefully delimited, continuity of ideas that “anticipates” major breakthroughs of the seventeenth century. Wood explains it thus:

The reader will note that here and elsewhere I state that [sixteenth century social thought] “anticipated” (or some such wording in other contexts) a future position. In so doing I do not wish to suggest that I hold a teleological view of history. On the contrary, I believe that history is a continuous process of causally related occurrences, not a series of disconnected, discrete events. Past events may often be of a contingent, unpredictable nature, but this does not reduce history to pure contingency. The benefit of historical hindsight indicates that ideas and practices have temporal beginnings (which often are amenable to causal explanations), frequently “before their time,” before they become commonplace and widely adopted. This is not to argue that such ideas and practices were predetermined to appear when they did and to proliferate, all driven by some kind of inexorable teleological dynamic.¹²⁰

120. Neal Wood, *Foundations of Political Economy: Some Early Tudor Views on State and Society*, (Berkeley: University of California Press, 1994), n. 2 from page 2, or <http://publishing.cdlib.org.oca.ucsc.edu/ucpressebooks/view?docId=ft7j49p1nm&doc.view=popup&chunk.id=d0e80>

It is worth highlighting from Wood's historiographical note an argument in favor of the benefit of historical hindsight. Actually, hindsight does not require an argument per se since it is impossible to avoid; I would say it is an historiographical given. For Foucault, this simple fact is so unsettling that it becomes the basis of an epistemological skepticism that muddies the distinction between historical research and philosophical "problems." This assumes the appearance of a jejune version of the category problem: a presumption of essentialized concept attribution from a subsequent period to an earlier one, and a petrified reaction to control this at all costs by demanding of the historical record hard, total discontinuities in the history of thought. But discontinuity is itself a category of thought, if a methodological one, that stems from relatively recent debates regarding historical science. This is an apparent contradiction in Foucault's position in so far as he attempts to avoid one problem— anachronistic concept attribution—by relying precisely on the attribution of a recent methodological concept—discontinuity—to ages past.

Alternatively, Wood understands that ideas and practices have "temporal beginnings" that precede and indicate—not predict or foreordain—their full fruition in a later period. He is immediately aware of the potential teleology of such an approach, but he insists temporal beginnings need not be conceived as such. The charge of teleology is, itself, a form of theoretical shorthand and intellectual laziness. The antidote to *both* Foucault's overwrought epistemological anxiety and also the charge of teleology is a form of intellectual history grounded in conceptual-historical specificity.

This leads me to suggest that the development of a concept over time is analogous to the tracks of a hurricane. Tropical storms actively modify the surrounding environmental trade winds determining their path—a sign of endogenous variability within exogenous parameters. Analogously, the track of a concept, which is its range of potential future development as a function of its temporal beginnings, is subject to both endogenous factors, such as linguistic etymology and conceptual-rhetorical practices, as well as to exogenous changes in the material social world itself. The track of a concept is neither pre-determined nor completely spontaneous. I want to bring the historiography of ideas back into an organic relation with a concept of history itself. Only thus can the categorial problem of thought be understood adequately and in its specificity, along with the corollary issue of rational abstraction, which is the philosophical task *par excellence* of building up concepts from their limited particularity to a greater and more general simplicity.

Foucault's periodization of the "Renaissance" is a problem because he provides evidence that suggests the Renaissance period had no definite beginning prior to which economic thought was significantly different. He makes a rather general claim that implies the 'Renaissance' could be dated all the way back to the Stoics: "Ever since the Stoics, the system of signs in the Western world had been a ternary one [...] From the seventeenth century, on the other hand, the arrangement of signs was to become binary."¹²¹ Foucault's sense is that the Renaissance episteme of resemblance will suffice to explain both medieval just price theory, in which prices

121. Foucault, *OT*, 42.

had to reflect divine will, as well as the sixteenth century's focus on metallic substance. Given this secular continuity in the function of the episteme, it's clear he is concerned mostly with separating pre-history, which includes the Medieval and Renaissance periods, from the history of Classical and Modern analysis. This periodization suggests a theory of the transition to Modernity. The question at stake for the history of economic thought is the nature of that change, whether his episteme can do it justice, and a complementary plot regarding the genesis of the science of political economy. But if his argument is that a two thousand year episteme determined all meaning up to the first major break in the early 1600s,¹²² it is necessary to begin the present study prior to his own, which commences with Copernicus's 1520s tract on coinage. Despite the parallel that Foucault's episteme envisages between the Medieval just price and Renaissance metallic substances, the story of conceptual change and development, which includes overlapping dynamics of continuity amidst numerous discontinuities, is far more nuanced than he lets on or realizes. A few of these are adumbrated next.

One angle would have to consider the actual history of coin usage across civilizations and how this relates to the ideas concerning money. Metal coins had been in use in the kingdom of Lydia in Asia Minor early in the seventh century B.C.E. Coin production was surprisingly standardized by weight and appearance; however, "their metallic content varied greatly [...] It thus appears that the oriental

122. He writes about Cervantes's *Don Quixote*, the first volume of which appeared in 1605: "With all their twists and turns, Don Quixote's adventures form the boundary: they mark the end of the old interplay between resemblance and signs and contain the beginning of new relations" (Foucault, *OT*, 46).

despots did not introduce coinage for the convenience of the public but rather as a revenue measure.”¹²³ There was in effect a system of unequal exchange by which members of the community turned over metals to the treasury in return for properly minted coins containing less metal. Spiegel goes on to note simply that this appeared to be an early example of “legal tender” and that “nobody appeared to lose much as long as the coins were accepted at face value.”¹²⁴ Of importance is not whether this ruse worked so long as everyone was willing to play along, rather it is an early example of surplus extraction. Further evidence exists of currency debasements in Athens in 594 B.C.E., but this time with the intention of “bringing about an all-around reduction of debts.”¹²⁵ The Roman currency in the third century C.E. was so ruined by alteration that “unminted metal came to assume again the role it had played before coinage had been introduced in Lydia a thousand years earlier. The circle [of coin minting and use] was almost closed.”¹²⁶ Here Spiegel is drawing attention to a 1,000 year history of metal coinage from the 7th century B.C.E. to the 3rd century C.E. during which minted coins came into existence, underwent alterations for different socio-economic reasons, and then nearly disappeared from use.

Another consideration is the deep structure of conceptuality and its gradual change over time. Although the speed at which such alterations occur during pre-modern and early modern times is very slow, they are nonetheless discernible to a methodology capable of abstracting the dynamism of conceptual developments.

123. Spiegel, *Growth of Economic Thought*, 70.

124. Ibid.

125. Spiegel, *Growth of Economic Thought*, 70.

126. Ibid.

Historical abstraction is not a specific method or theory, rather it's an epistemic action, a mode of thinking and analysis, the power of which is available to a historian or blocked by degrees as a function of her historiographical choices.

It can be said that the criteria for 'pre-' versus 'history itself' is based on differences in method, but also the nature of change that is sought by the historian. Schumpeter is on the look-out for indications of economic analysis, which includes economic history, statistics, theory, and economic sociology, that are independent of theological or philosophical concerns;¹²⁷ Hutchison looks for evidence not only of independence of economic factors but beyond that the first occasion of theoretical predominance of economic orthodoxy—a threshold denied to everyone until Adam Smith;¹²⁸ Blaug locates a set of principles and shared analytical tools that others would come to adopt, which is akin to a methodological orthodoxy, and Blaug also finds this beginning with Adam Smith;¹²⁹ Marx's history scans the literature for the moment at which a nascent concept of productive labor breaks into economic reasoning, which he finds in William Petty, coupled with the moment at which the analysis of the origin of surplus-value is transferred to the sphere of production, which he traces to Quesnay¹³⁰.

127. J. A. Schumpeter, *History of Economic Analysis*, (New York: Oxford University Press, 1954), 12. [Henceforth *HEA* in notes.]

128. T. W. Hutchison, *Before Adam Smith: The Emergence of Political Economy, 1662-1776*, (Oxford, OX, UK ; New York, NY, USA: B. Blackwell, 1988), 3-4.

129. Mark Blaug, *Economic Theory in Retrospect*, 4th ed., (Cambridge ; New York: Cambridge University Press, 1985), 10.

130. Karl Marx, *Theories of Surplus Value Part I*, (London: Lawrence & Wishart, 1969), 45, 180-182. [Henceforth TSV1 or TSV2 for Part II in the notes.]

Though these historians therefore define the “prehistory” of economic thought differently, historical abstraction of conceptual structures can still percolate to the surface of their inquiries. Without taking up an assessment of the merits of each at this point, suffice it to say that despite the differences among them, they all maintain a degree of sensitivity, some explicit while others implicit, to the importance of conceptual changes over time as an epistemic condition of developments, regardless of their methodologies and “starting points.” Except Foucault. His historiography hinges on the semiotic structure of signs, which in turn is claimed to determine all concepts. The archaeological method is diametrically opposed to the form of historical abstraction that many other studies can take advantage of.

Specifically missing from Foucault’s archaeological pre-history is the gradual changes over time in the intellectual backdrop to the monetary facts that will be Foucault’s sole object of analysis during his Renaissance period. In this regard, Foucault goes much further than Marx in isolating and reducing the thought of the sixteenth (and prior) centuries. The Monetary System, which for Marx included the sixteenth century, “still locates wealth altogether objectively, as an external thing, in money.”¹³¹ Having established this much, however, he would not have reduced the thought of this century to money or monetary facts.

Simiand touches on the intellectual backdrop of economic pre-history and alludes to what would be at stake in the principle of its determination. “What was still at the beginning of the sixteenth century the best framework consisting of these

131. Marx, *Grundrisse*, 103.

ideas? Doubtless canonical doctrine [...] that is to say, a social order still conforming itself to the divine will, and therefore subordinating the economic to ethico-religious ends.”¹³² To be sure, divine law plays a definite role in Foucault’s account of the Renaissance period, but for him, “divination is not a rival form of knowledge; it is part of the main body of knowledge itself,”¹³³ which is to say that it, too, is explained by resemblance. Simiand was wrong and Foucault missed a good opportunity, however, by failing to read Thomas Smith’s *A Discourse of the Commonwealth of this Realm of England (1549)* closely enough, for therein they would have deciphered a relatively clear attempt to think the economic welfare of the nation free of moral and religious prejudices (more on this below). At any rate, rather than restrict historical analysis to epochal paradigms of thought—economic vs. theological—that are mutually exclusive to each other or singularly determined by a single episteme, it is possible to track the degree to which they are conceptually intertwined with imbrications of one upon the other, but participating in a gradual process—giving a little here but then taking a little more there—of category change in which the ultimate autonomy of economic phenomena would come into view.

Medieval economic thought

As the preceding section mentioned, Foucault makes a weak claim that resemblance is the foundation of thought dating back to the Stoics. He does not elaborate on this, which is why I characterize it as a weak claim. This section on

132. Simiand, *Avant-propos* in Le Branchu, *Écrits Notables*, tome 1, xiii-xiv.

133. Foucault, *OT*, 32.

medieval economic thought has, therefore, two purposes. First, despite Foucault's silence regarding Scholastic economics, I will demonstrate how resemblance fails to explain the developments and vicissitudes of the period immediately prior to Foucault's sixteenth century Renaissance. More importantly, beginning with scholastic debates over Aristotelian and nominalist theories is necessary in order to contextualize properly the century of thought that draws Foucault's interest, which is the sixteenth. Many of the claims he makes about the originality of thought during this century actually had their genesis much earlier. This will therefore be the first of many instances of Foucault's faulty periodization of concepts. Although it is possible to overlook these as relatively minor details in light of his larger argument concerning the changing nature of epistemic conditions, I argue that they are significant because they are evidence of his general failure to give an account of abstraction as an epistemic activity among those whose ideas he is studying.

St. Thomas Aquinas was one of many thirteenth century writers who wrote on matters economic, but he is primarily credited with the Scholastic "consolidation"¹³⁴ of theology and philosophy into a system that would hold sway over the social order, including over economic thought and regulations, for nearly 300 years until at least the start of the sixteenth century. Aristotle's thought was slowly being reintroduced to Europe since the twelfth century.¹³⁵ In general the Scholastics took the position that

134. Schumpeter, *HEA*, 87.

135. As Schumpeter suggests, "Arab mediation meant Arab interpretation, which was unacceptable to them in some matters of epistemology" (*HEA*, 88); Pribram is more careful: "It is, of course, outside the scope of this study to discuss the intricate question of how far the Scholastics—as influenced by Arabian philosophers—

the origins of justice and law were different from each other; the former being divine and the latter a matter of human convention, therefore human reason was sufficient to define it. This was one way in which they brought Church doctrine in line with Aristotelian reason. On some matters they emphasized one aspect over the other, and in some cases St. Thomas did not clarify the relationship, thus leaving matters open to debate.

Schumpeter adopts a less than sanguine stance towards the revolution promised by Thomism due to what he considers the exogenous character of Aristotelianism during this epoch. At most it lent itself as a major timesaving device in the task of intellectual reconstruction after centuries of barbarian invasions,¹³⁶ but Schumpeter does “not assign to the recovery of Aristotle’s writings the role of chief cause of thirteenth-century developments. Such developments are never induced solely by an influence from the outside.”¹³⁷ Endogenous versus exogenous factors is a kind of historical abstraction in intellectual history. Schumpeter does not provide a lengthy justification for his diminution of both Aristotelianism and St. Thomas’s

misunderstood and misinterpreted the Aristotelian teachings,” in Karl Pöhl, *A History of Economic Reasoning*, (Baltimore: Johns Hopkins University Press, 1983), 633, n. 3.

136. Against Schumpeter’s “Great Gap” presupposition, see Hamid S. Hosseini, “Contributions of Medieval Muslim Scholars to the History of Economics and their Impact: A Refutation of the Schumpeterian Great Gap,” in Samuels et al., *A Companion to the History of Economic Thought*, Blackwell Companions to Contemporary Economics, (Malden, MA: Blackwell, 2003), 28-45. Hosseini over-emphasizes Schumpeter’s attachment to the “revolutionary” character of Aristotelianism, but the essay makes a good case for continuity in the history of economic thought once the geographical borders of Europe are called into question.

137. Schumpeter, *HEA*, 88.

contribution—neither of which can receive adequate attention here—but for our purposes he demonstrates how this form of analysis operates:

[First,] the economic process was evolving patterns of life that called for legal forms, especially for a system of contracts, of the type that the Roman jurists had worked out. [And second,] there can be no doubt but that the lawyers of the Middle Ages would have eventually worked out similar forms for themselves [Third,] Aristotle came in, as a powerful ally, to help and to provide implements. [Finally,] but perception of the task and the will to rush forward were, of course, there independently of him.¹³⁸

This is a quite extraordinary example of Schumpeter's capacity to adjudicate major intellectual changes and their underlying conditions to entire periods in a way that is not restricted to a simple close reading of texts, nor any historiography limited to readings of this type, including archaeology. It is an example of historical contextualization that does not crowd out an appreciation for the semi-autonomous life of ideas, all the while still looking to events contemporaneous in the social sphere in question as a touchstone for assessing the necessity or sufficiency, as well as the overall import, of conceptual developments.¹³⁹

Přibram¹⁴⁰ renders the import of the reintroduction of Aristotelian logic to European thought differently. It intervened in and against earlier medieval thought

138. Ibid., 88.

139. But then there are those moments in *History of Economic Analysis* where Schumpeter seems to be trying to out-do Foucault in the genealogical method by adopting wild associations connecting historical phenomena that are separated by centuries: "The scholastics were not primarily concerned with the problems of the national states and their power politics. This is precisely one of the most important links between them and the 'liberals' of the eighteenth and even the nineteenth centuries" (96).

140. Karl Přibram, *A History of Economic Reasoning*, (Baltimore: Johns Hopkins University Press, 1983). [Henceforth *HER* in the notes.]

grounded in Neoplatonism. Both, though, “were ruled by a fundamental proposition, the belief in the real existence of general notions (universals) which, established by the Creator from eternity to eternity in a hierarchical order, can be grasped by the human mind.”¹⁴¹ This established the doctrine of immutable substance, which would be crucial in determining the form of thought of Thomism and many of its concepts and ultimate contradictions. The substance of a thing or being, which is “the aggregate of its essential attributes, was to be distinguished from its accidental features, and that a thing was to be considered closer to perfect, the better it was equipped with all the essential attributes of the class to which it was assigned in accordance with the divine will.”¹⁴² We might pause to acknowledge the relevance of Foucault’s concept of resemblance as an epistemic condition linking divine creation to the determination of the presence or absence of “essential attributes.” But resemblance comprehends at most one step in the logic of the medieval form of thought, not necessarily its entire output. The reintroduction of Aristotelian logic would alter this form of thought in ways that would generate a new conceptuality, even if divine will would remain the order of the day. It bears quoting at length:

Neoplatonic metaphysics had availed themselves of a hierarchical order of ‘emanations’ and ‘illuminations’ in linking up the human mind with an indeterminate, infinite, absolute source of all general notions. However, in accordance with the Aristotelian principles of reasoning, *the mind was endowed with the faculty of using methods of abstraction to derive the general notions from the ‘essential’ features common to a group or class of comparable objects.* Every series of such objects was believed to

141. Ibid., 5. “This principle was expressed in the often quoted statement ‘*Universale intellegitur, singular sentitur.*’”

142. Příbram, *HER*, 5. An example would be the Platonic immortal soul versus the perishable body.

embody a supreme generic quality which comprehended all the characteristics common to these objects. Subspecies at various levels could be defined by properties belonging only to specific groups or classes of such objects.

The revolutionary effects of the introduction of abstraction as an instrument for forming general notions cannot be too strongly emphasized. The universals which, according to Neoplatonic philosophy, were believed to exist in reality, independently of the things of which they were the prototypes, were now found to be directly accessible to the human mind through processes of analyzing the individual things. Thus, a limited use of observation was combined with the application of deductive methods, which consisted of drawing the logical consequences from the definitions of abstract concepts.¹⁴³ (Emphasis added)

Resemblance simply cannot capture such a major transformation in the form and condition of thought. If there ever was a time when resemblance truly operated as the sole or even primary epistemic condition, it was most likely no longer the case after the reintroduction of Aristotelian principles of reasoning, which, according to Pribram, should be understood as leading to major changes in the form of abstraction in social thought starting around the twelfth century.

St. Thomas's natural law system based on human reason re-worked the concepts of social collectivities, just prices, but also charity, private property, the stewardship of wealth, the redemption of business and profit making, and the prohibition of usury¹⁴⁴. Roncaglia finds the primary difference between medieval thought and a later science of political economy in that the former sought "to find rules of moral conduct, not to understand the functioning of the economy."¹⁴⁵

143. Ibid., 5.

144. Henry William Spiegel, *The Growth of Economic Thought*, rev. and expanded ed., (Durham, N.C: Duke University Press, 1983), 57-68.

145. Alessandro Roncaglia, *The Wealth of Ideas: A History of Economic Thought*, (Cambridge, UK ; New York, NY: Cambridge University Press, 2005), 31.

Medieval thought was necessarily restricted to principles of authority presumed to regulate individuals' behavior; as such, economic morality had to reflect first principles, not surprisingly usually traced back to Scriptural passages and sermons and writings by earlier Church Fathers. It is worth emphasizing that the integration of human reason with Church tradition did not necessarily entail dual arguments constructed side-by-side, rather they were presumed to be two forms of thought not at odds with one another, meaning references to Holy Writ did not supplant recourse to reason. Reason assisted by revelation, or vice versa. Foucault's archaeology attempts to address this by claiming resemblance thinking brings a halt to the infinite play of similitudes by linking all micro-level signs to the macro-level cosmos grounded in God. However, as described in the passage above, Aristotelian logic required the Scholastics to operate in a manner more sophisticated than a mere search for similitudes insofar as they could now "derive the general notions from the 'essential' features common to a group or class of comparable objects." The Neoplatonic and Aristotelian modes of analysis were different, and, as Foucault would likely argue, simply proceeding from opposite starting points yet traversing towards each other, thus both reducible to one and the same resemblance episteme.¹⁴⁶ His category of resemblance over-rides the distinction between forms of thought and insists on reducing the conditions of knowledge to the same episteme. It is a sweeping generalization, yet the explanatory power of the model stops there, because it elides the degree to which "theological debate during the Middle Ages came up with a great

146. This is precisely how he treats the disagreements between the Physiocrats and the "Anti-Physiocrats" during the eighteenth century (see Chapter Two below).

many pointers for definition of the conceptual framework that constitutes the foundation for any abstract analysis of the economy.”¹⁴⁷

An example of one such “pointer” includes the Scholastic conception of a social collective vis-à-vis the individual. On the question of a collective, they borrowed from Aristotle—but with moderations. In particular Aristotle’s notion of a political community based on the *polis* was cut down to size: they appropriated only Aristotle’s proposition that “it was a ‘natural necessity’ for man to live in society; hence, they connected the origin of political communities with a social instinct, an empirical fact, not with a transcendental principle.”¹⁴⁸ The reason for this is not difficult to perceive, for a transcendental conception of a collective humanity was difficult to sustain in a theological worldview beset by a Fall from grace. The central purpose of natural law was to help individuals, not the collective, avoid sin. Herein lies a subtle conceptual opening that would not be exploited until centuries later with a chiasmus from Luther: he would embrace an essentially individualistic route to salvation over and above the *corpus mysticum*¹⁴⁹, but he would return his reformed subject to a theological world based *sola scriptura*. For this reason Luther does not provide the needed breakthrough towards the supremacy of the abstract individual. Such was Weber’s argument in *The Protestant Ethic and the “Spirit” of Capitalism*, in which the Lutheran concept of “the calling” carved out a positive task for the

147. Roncaglia, *The Wealth of Ideas*, 31-2.

148. Příbram, *HER*, 7-8. Reference to Thomas Aquinas, *De Regimine Principum*.

149. See Matthew Levering and Michael Dauphinais, *Reading Romans with St. Thomas Aquinas*, (Washington, DC: CUA Press, 2012), 58-9, for a discussion as to whether St. Thomas had adopted a non-sacramental conception of *corpus mysticum* in his application of this term to the Church.

individual, all the while failing to break completely with religious tradition because part of that task was simply to accept salvation by faith alone. Before the abstract individual appeared in all her glory in the seventeenth and eighteenth centuries, the Scholastics “considered man’s active contribution to the realization of a sound social order prerequisite to the communal life”—which, again, was a practical necessity—and as such “the organization of political bodies was attributed to human convention.”¹⁵⁰

Another conceptual pointer was private property. According to Pribram, the “Doctor Angelicus” and his Dominican followers derived their argument in favor of private property “from considerations of expediency,”¹⁵¹ which meant that it was seen as a productive convention of human activity. Of course it did not hurt that the Church had acquired by this time large possessions and along with them the tithe on all associated production.¹⁵² Once again they chose not to adopt fully Aristotle’s position, rather elements of it. “They did not admit the existence of a natural law which would prescribe community [ownership] of goods, but they rejected equally the proposition that private property could be justified by invoking a natural law.”¹⁵³ Although the Thomistic conception would prevail over other doctrinal and strictly biblical interpretations, elements of a Franciscan, communal approach to property would survive and find “its juridical expression in the feudal institution of ‘eminent domain,’ the lordship of the sovereign power over all the territory of the

150. Pribram, *HER*, 8.

151. *Ibid.*, 11.

152. *Ibid.*, 10-11.

153. *Ibid.*, 11.

commonwealth.”¹⁵⁴ The key thing to note about the Thomistic-cum-Aristotelian conception of private property is it was given a basis in human reason alone: what is expedient? The structure of future conceptual possibilities included the eventual rise of a concept of property completely autonomous from divine inspiration. Mere resemblance would not discern such an historical possibility. And even if resemblance would explain Natural Law as being grounded in God’s authorship, it fails to explain satisfactorily the *movement* towards adoption of expediency as a potential principle in economic matters. In other words the form of thought itself was changing, and in a way that similitude alone does not capture.

Perhaps the single greatest exception to Foucault’s episteme of resemblance in the Thomistic system was the doctrine of value. Closely related to it are the concepts of money and a theory of just price. Once again the Scholastics were deeply influenced by Aristotle’s distinction between “what was right according to nature and what was right according to convention and human law.”¹⁵⁵ Natural forms of acquisition included farming, hunting, and even warfare and barter, whereas chrematistic forms of wealth acquisition that relied on money must be relegated to the human sphere since the use of money is a function of human agreement,¹⁵⁶ where the underlying moral was that no person should unduly gain at the expense of another. It’s important to note that the Scholastics’ Aristotelian presuppositions meant they

154. Ibid., 11.

155. Příbram, *HER*, 12. Technically called *ius gentium*, or law of nations. For more on Aquinas’s system of law, see Barry Gordon, *Economic Analysis before Adam Smith: Hesiod to Lessius*, (New York: Barnes & Noble Books, 1975), 158.

156. See St. Thomas, *Summa Theologica* (I-II, 2, 1).

thought in abstract terms about the “‘*bonitas intrinseca*,’ or inner goodness”¹⁵⁷ of entire classes of things, not individual objects. Thus the value of goods, as a class, was timeless and universal. This much can be described by Foucault as a function of resemblance. But the conceptual determination of value was more precise than this, and the outline of Scholastic thought cannot be understood without greater attention to detail. If it were strictly a matter of resemblance, there would seem to be a hierarchy of value determination—it would be based on the order of creation—in which natural forms determined the logic for all cases of exchange of goods. The oddity of this was apparent to the Scholastics, for if this were the case, then, “as Buridan [rector of Paris University in the middle fourteenth century] remarked, a fly, which is a living being, would have a higher value than all the gold in the world.”¹⁵⁸ Later on this would be called the paradox of value, but Scholastics were aware of it even if they did not name it as such. Pribram refers to it as an “apparently insoluble problem”¹⁵⁹ for them, and Aquinas punts the problem to a venerable source, Augustine, who declared the “principle of salable things was not reckoned in accordance with the rank of nature...but in accordance with the extent to which the things are useful to man.”¹⁶⁰ Utility is part of economic reasoning at this stage, even if it is an abstract conception of utility that reflects the value of an entire class of objects, not individual goods. Roncaglia is therefore only half-right when making the

157. Pribram, *HER*, 13.

158. Roncaglia, *Wealth of Ideas*, 39, n. 60. Cited from De Roover, *La pensée économique des scholastiques, Doctrines et methods*, (Montreal: Institut d’études médiévale, 1971), 41.

159. Pribram, *HER*, 13.

160. Thomas Aquinas, *Summa*, II.II, q.77, art. 11; cited from *ibid*.

observation that this “point is important: it implies the ethical priority of the economic scale of values over the ontological.”¹⁶¹ The truth is probably a middling aporia, since although the reference to utility is driven by the capacity of goods to satisfy needs (“*indigentia*”), which would correspond to an economic scale of values, it is nonetheless still restricted to an abstract conception of those goods themselves, which would be closer to an ontological scale. Despite the absence of real world conditions that would motivate a genuine breakthrough regarding the concept of value, it need not be lost on us that the Dominicans drew from multiple historical traditions to justify their system of thought. In hindsight one might be tempted to think of this as intellectual stagnation, but the interplay of Aristotelian, Patristic Neoplatonic, and Roman contractual forms of thought was instrumental in shaping the conceptual universe of Scholasticism that would set the terms of economic reasoning leading into the early modern period. And though a conceptual aporia about value beset the Scholastics, their economic thought was not without attempts to deal with it.¹⁶²

Money is, according to St. Thomas, a special case separate from (classes of) commodities, which are the bearers of value; however, it is not difficult to see how commodities of value determined his concept of money. Money served two purposes

161. Roncaglia, *Wealth of Ideas*, 39, n. 60; see also Jacob Viner, et al., *Religious Thought and Economic Society: Four Chapters Of an Unfinished Work*, (Durham, N.C: Duke University Press, 1978), 83.

162. “Peter of Johann Olivi (1247-98: hence an author immediately following St. Thomas and preceding Buridan by nearly a century) noted, we must refer to three sources of value: *virtuositas*, *complacibilitas*, and *raritas*, namely ability to satisfy human needs, correspondence to the preferences of the person utilising the good and scarcity,” in Roncaglia, *Wealth of Ideas*, 39-40.

and lacked one important one that would contradict Foucault's account of intellectual history at this stage of its development: first, it operated as a medium of exchange, and second, as a unit of account.

With respect to the first, the marriage of Aristotelian thought with Roman contractual law can be seen at work. The theologian wrote, "Now money according to the Philosopher, *Ethics* V, 5, and *Politics*, I, 3, was invented chiefly for the purpose of exchange and consequently the proper and principal use of money is its consumption or alienation whereby it is sunk in exchange."¹⁶³ Its use as a medium of exchange aligns with Roman law in which "consumable things (*res quae minuuntur vel consumuntur*) are things that are extinguished and are intended to be extinguished by use. Money is included in this category."¹⁶⁴ For this reason, equivalence was nothing more than an indispensable element of all acts of exchange. Keep in mind that exchange was a limited social phenomenon during the twelfth and thirteenth centuries, requiring the labor of relatively few people compared to later commercial society. For many centuries during the first millennium of the common era, mercantile exchange had been considered a damnable sin under Neoplatonic Christian thought. Aquinas was inclined to the same disposition, yet he understood that the exchange of goods was, within reason, for the benefit of the common good. So this category, too, he liberated from a strict prohibition. But the avoidance of sin still

163. St. Thomas, *Summa*, II-II:78, 1; cited from Gordon, *Economic Analysis before Adam Smith*, 159.

164. Gordon, *Economic Analysis before Adam Smith*, 160: "Of the four books of the *Corpus Iuris Civilis*, both the collection of views of leading Roman lawyers, the *Digest*, and the *Institutes*, containing rulings of the Senate, adopt this approach."

being paramount, it followed that the “principle implied that equivalence of intrinsic values (*equalitas rei ad rem*) should obtain in all cases in which goods were exchanged for each other, and that the intrinsic value of the goods should be reflected in their prices.”¹⁶⁵ As mentioned above, intrinsic value of goods reflected their utility. Money in exchange thus had the primary social function of bringing together two unlike commodities with different intrinsic values. So the second conception of money that he needed was as a unit of account, about which he wrote,

All other things from themselves have some utility: not so, however, money. But it is the measure of utility of other things [...] And therefore the use of money does not have the measure of its utility *from this money itself*, but from the things which are measured by money according to the different person who exchange money for goods. [Emphasis added.]¹⁶⁶

The emphasis added draws attention to the dominant Scholastic theory that refused to ascribe intrinsic value to the metal content. Because in money’s function as a medium of exchange it was thought to be “extinguished” after the act,¹⁶⁷ and since money’s role was to measure the utility of *other* things, Thomistic thought was barred from having a conception of money as a store of value. Rather, the value of money was

165. Přibram, *HER*, 12.

166. Thomas Aquinas, *In IV libros sententiarum*, III:37, 1,6; cited from Gordon, *Economic Analysis before Adam Smith*, 159.

167. This is taken partly from Aristotle’s conception of exchange. Also, Aquinas drew general conclusions using casuistics, i.e., an exemplary case; however, he was aware that money would re-enter the economy in circulation. A contemporary of Foucault’s, Braudel, discovered that the Scholastics thought in terms of a difference between “‘money of account’ and ‘coin in circulation,’” Gordon, *Economic Analysis before Adam Smith*, 166. See F. P. Braudel and F. Spooner, “Prices in Europe from 1450 to 1750,” *The Cambridge Economic History of Europe from the Decline of the Roman Empire*, ed. E. E. Rich and C. H. Wilson, (Cambridge: Cambridge University Press, 1967), 378.

“determined by human decisions (*valor impositus*).”¹⁶⁸ This placed all monetary transactions in the sphere of human law. According to Pribram, “the view that money was merely a sign, a token, provided strong support for the so-called feudal theory of money, according to which the right of the public authorities to change the metallic content of the currency was implied in the monopoly of the feudal lords to define the instruments of measurement.”¹⁶⁹ Scholastic order was dependent upon (1) metals not having intrinsic value (the technical term that would name its value, *bonitas extrinseca*, was in fact the opposite of that used to describe the value of goods) and (2) intervention by political authorities to determine the *bonitas extrinseca* in order to ensure *equalitas rei ad rem*.

Aquinas and his followers enjoyed something akin to an ideological hegemony concerning matters economic for a few hundred years. The synthesis of their intellectual system took place with the backdrop of general economic vitality across Europe. Population was increasing, and “in Germany alone, during the thirteenth century some 400 new towns were established.”¹⁷⁰ This expansion was short-lived and even reversed due to a number of factors, including the Black Death from 1348, “a crippling blow after 1345 by the bankrupting of three of the most powerful banking organizations of Florence,”¹⁷¹ and chaotic currency arrangements, especially in France, as a result of successive debasements undertaken to finance the

168. Pribram, *HER*, 12.

169. Pribram, *HER*, 13-14.

170. Gordon, *Economic Analysis before Adam Smith*, 187.

171. *Ibid.*, 187-88.

Hundred Years' War. From this maelstrom emerged a major intellectual alternative to—though not neutralization of—St. Thomas.

Controversies extended to the issue of whether metal coins had intrinsic value or not. The chief antagonists to mention are Jean Buridan (1300-58), his student Nicholas Oresme (1325-82), and their later follower Gabriel Biel (d. 1453?). They drew philosophical inspiration from philosophical nominalists, especially the Franciscan William of Ockham (1300?-49; mentor to Buridan) who “undertook to separate logic as an art, an organization of thinking, from any metaphysical speculations and from any content or object of thought.”¹⁷² A logical implication of this separation is that the words ascribed to general notions were “mere names (*flatus vocis*).”¹⁷³ (If so, then Foucault’s argument that language was not separated from the world as a distinct object until the early seventeenth century is three hundred years too late.¹⁷⁴) Ockham’s philosophy was an attack on both Neoplatonism and Aristotelianism, i.e., any method of universalistic philosophy.¹⁷⁵ “Whereas the Neoplatonist theologians [e.g., fellow Franciscan Duns Scotus] had placed the

172. Přibram, *HER*, 21-22. Recent intellectual histories of Scholasticism have questioned whether there was a coherent nominalist “school” of thought: see Robert Pasnau, *Metaphysical Themes, 1274-1671*, (New York: OUP, 2011), 84.

173. Přibram, *HER*, 21.

174. “When the rigid system of absolutely valid concepts could no longer be protected against the intrusion of new, freely formed notions, the Latin language was deprived of its privileged position as the exclusive instrument for the expression of ideas of higher abstraction,” *Ibid.*, 22-3.

175. The Franciscans established universities in England, most notably Oxford; Ockhamist thought found followers there and in Paris. The Dominicans prevailed at the universities everywhere else on the Continent. According to Přibram, “The history of the Western world was, to a high degree, determined by the struggle waged by the two orders over the fundamental principles of thought” (*HER*, 23).

existence of general notions before the existence of things, and whereas the Thomists had derived the general concepts by abstraction from the things, Ockham regarded these concepts as arbitrary signs formed freely by the human mind and expressed by words (*universalia post res*).”¹⁷⁶ (The emphasis on signs expressed by words should seem very similar to Foucault’s theory.) A number of consequences followed from this among Ockham’s followers, including an advocacy of studying individual things and not classes, and most drastically the diminution of reason itself relative to human will and sense perceptions.

Buridan, Oresme, and Biel applied nominalist philosophy to economic theories and concepts. Buridan outflanked Aquinas by returning to Aristotle’s metallist treatment of money, which, as Gordon explains, meant “all money should be made of precious material.”¹⁷⁷ In light of the monetary crises caused or exacerbated by debasements, most notably in France where Buridan was rector of University of Paris and Oresme served as Bishop of Lisieux, the primary assault on Thomism was to roll back the authority of princes—the *valor impositus*—by political fiat to establish the *bonita extrinseca*, or value of money. Oresme offered a synthesis of interest, usury, and the matter of money in *A Treatise on the Origin, Nature, Law, and Alterations of Money* (1360). He was well aware of Gresham’s Law two centuries before Copernicus and Gresham spoke of it, which stated that bad money drives out

176. Ibid., 22. In a very interesting note (n. 7, 636), Příbram goes into further detail: “The Turkish philosopher al-Farabi (d. 950) has been credited with having identified the *universalia post res* with the generic, purely abstract concepts of the Epicurean epistemology, as distinct from the Aristotelian general notions, or *universalia in rebus*, and the Platonic ideas, or *universalia ante res*.”

177. Gordon, *Economic Analysis before Adam Smith*, 190.

good. If it's true that bad money drives out good, then it cannot also be true that the prince's *valor impositus*, which was predicated on a Thomistic-Aristotelian syllogistic creation of an abstract class of actions, defined the true value of money because people in the community did not recognize and obey it. The nominalists identified, in other words, a contradiction between the universal rule and individual practices. It was on this basis that they attempted to subordinate the concept of *bonitas extrinseca* to the individual character of metals that made them money in the first place: their *bonitas intrinseca*, or inner goodness. This is precisely the concept that Foucault will presuppose at the outset of his study of sixteenth century metallist discourse. What he seems to have been relatively unaware of is the slow development of different theories of money, each of which would continue to play a role in the sixteenth century, despite the one-sided account that Foucault will give.

While Oresme's work is the most important as a representation of this school, a later text by Gabriel Biel, *Treatise on the Power and Utility of Moneys*, draws from Oresme and was printed three times in 1542, 1547, and 1605, thus testifying to the strength of its appeal as the Price Revolution got underway:¹⁷⁸

...since money, as we have already assumed, was invented and introduced for the good of the community, it is fitting that money should be coined by the ruler of the community [...] Although it is the privilege of the prince to coin money and to stamp it with his own image and name, yet for this reason money in circulation among the people is not his, nor is he himself the owner of the money current in his dominion. For money is the medium of exchange for natural riches

178. A. P. Usher, review of Robert B. Burke, transl., *Gabriel Biel's Treatise on the Power and Utility of Moneys*, (Philadelphia: University of Pennsylvania Press, 1930), in *Speculum* 6, no. 01 (January 1931): 137; Cambridge Journals Online: doi:10.2307/2847840.

and the equivalent of them. Therefore money belongs to those that have natural riches. For when a man gives his bread or the labor of his own body for money the money is now his own after he has received it, just as the bread and labor were his and at his disposal.

Moreover Nicolas Oresme [i.e., Oresme] says that although coining money is the prerogative of the prince, yet authority to fix the value of money or the ratio of one denomination of money to another should not be vested in the prince but in the community to which the money belongs... This I take to mean that the prince has not the power to fix the value of money according to his own wish but according to the just and natural ratio of gold to silver and of silver to such a 'liga.' Determination in this regard is vested in the community.¹⁷⁹

Note that neither Oresme nor Biel questioned the authority of the prince to coin money. This is to say that they did not seek to eliminate altogether the concept of *bonitas extrinseca*; their goal was to ground the value of money differently. They still recognized, as seen in the Biel citation above, the state's regulatory authority to determine money as a medium of exchange. This would be one reason why the nominalist attack on Thomism did not get very far by dint of intellectual persuasion alone, because it did not call for a change in practices already sanctioned by Aquinas. They merely sought to limit the authority of the prince to "setting up legally binding standards concerning the relation between the values of the different coins."¹⁸⁰ But value itself was determined elsewhere—in the usefulness of metals, i.e., in their material content.

A concept of money as social relations can be historically abstracted from the force of the argument, but since the principles of nominalist thought borrowed from

179. Gabriel Biel, *Treatise on the Power and Utility of Moneys*, transl. R.B. Burke, (Philadelphia, 1930), 31-2; cited from Gordon, *Economic Analysis before Adam Smith*, 191.

180. Příbram, *HER*, 24.

Ockham rejected the derivation of general concepts by abstraction, there was no possibility for their thought to see money in these terms. The “common good” in both Scholastic and nominalist economic thought remained an inchoate abstraction, or what Marx would have called a “chaotic conception [*Vorstellung*] of the whole.”¹⁸¹

The two opposing philosophical world views and their respective economic theories sketched in brief here, although both from clerical sources, had the net effect over time of concentrating political economy on the scope and function of secular authorities. There was an inherent contradiction in political authorities’ prerogative of *bonitas extrinseca* because on the one hand it was necessary to achieve a legitimate *estimatio* of the just price of goods, but on the other hand it necessarily led to violations of a prohibition against usury because “if more money were received by a lender for the lesser amount given to the borrower, a different measure would be applied in giving and receiving—an obvious inequity.”¹⁸² The nominalist position that it was the individual character of metals that grounded the intrinsic value of money was the lever by which they attempted to limit the authority of princes; the logical basis of their position was that only the widespread use of metal coins by many communities demonstrated the reality of intrinsic value, thus for this reason any legitimate action by the prince was for the benefit of and in service to the wider community. This helps to explain why Pribram’s account (*supra*) of the so-called feudal theory of money as a sign or token emphasized that the theory hinged not on the money-sign itself but rather on the monopoly authority of the feudal lord to

181. Marx, *Grundrisse*, 100.

182. Spiegel, *Growth of Economic Thought*, 71.

determine all expressions of measurement, including the *bonitas extrinseca*. From an intellectual historical point of view, this should be understood as a condition of possibility of the eventual secularization of economic analysis.

Also, competing theories of money by the Thomists and the nominalists bring into sharp relief the underlying contradictions between the various functions of money beginning to take shape as early as the thirteenth century. On the one hand was the Thomistic conception of money as a medium of exchange and unit of account, but the lack of a concept of money as a store of value. In this, Aquinas's, worldview, there was no need for the latter since it would have caused enormous conceptual difficulties for his attachment to a hierarchy of intrinsic value in God's creation and money's merely superficial yet expedient role to help foster exchange of those things which he thought had value. He allowed his thought, for all of its ingenuity, to be held back by an earlier Neoplatonic Patristic (i.e., Augustinian) condemnation *tout court* of mercantile activity, which explains why he erred on the side of recommending caution against trading activities; at the same time, he was under pressure to make room within thought for the fact of an increase in trading activity that had, after all, been responsible for the re-introduction of Aristotle's philosophy to Europe, not to mention the observable benefits of commerce with the East. His overall system of value and money, drawing inspiration at times from Aristotle, then the Patristics, and still other times from Roman contract law, attempts to square these two conflicting demands. But his casuistic method, which enabled him to buy into the fiction that money was "extinguished" after an act of exchange, was

simply an inadequacy in his form of thought—his own ideological blinder, as it were—that failed to grasp that money was nonetheless treated as a store of value. For this reason, the Scholastics failed to provide a theoretically significant analysis of debasement of coinage; instead, “little respect was accorded to the prohibition of usury [and] much inventiveness was shown by the financial operators of the time in finding new kinds of contracts to circumvent the prohibitions.”¹⁸³ In its own way this, too, served as a condition of possibility of future developments, because the reliance on the form of Roman contract law in order to avoid individual occasions of sin of usury established a centuries-long precedent for “the idea that justice in the field of economic activity involves keeping faith with the form of the contracts and not with their content.”¹⁸⁴

The Ockhamist nominalists, for their part, represented day-to-day reality by arguing against Aquinas’s *bonitas extrinseca* and in favor of money’s *bonitas intrinseca*—i.e., for a concept of money as a store of value. None of this would come to a sharp conflict for hundreds of years because after the consolidation of the Thomistic system, which was adopted by officialdom, Europe descended into relative stagnation as a result of the Black Death, which decimated the population of the continent by a third. So it should come as no surprise that it was not until pan-European and cross-Atlantic commerce picked up again in the sixteenth century that the Ockhamist account that claimed an inherent value for money reasserted itself.

183. Roncaglia, *Wealth of Ideas*, 35.

184. *Ibid.*, 40-41.

Conceptually it had been present all along, but it became an insurgent concept only once real social forces gave it impetus.

Until then, “the reconciliation of practice with [Thomistic] doctrine was no easy matter [...] If the money was debased to begin with, that is, when it was not full-bodied at the time of issue, some authorities allowed a devaluation that would merely acknowledge the accomplished fact of debasement and make the new standard of metallic content equal to what the debased coin contained.”¹⁸⁵ In other words, surplus appropriation via debasement of a money operating as a *de facto* though not *de jure* store of value was condemned but allowed to proceed anyways.

Can Foucault’s concept of resemblance account for much of this? In a very general and catch-all manner, perhaps. But as such it is relatively weak as an historiographical method. The problem with resemblance is not so much whether it played a role in medieval society, but that Foucault thought of it as the sole epistemic condition of economic thought and practices. To suggest that resemblance of all things to God’s divine creation is simply to suggest that we are discussing a theocentric worldview—hardly a controversial notion to which any other form of intellectual historiography would have trouble acceding. Actually, it makes more sense to think of resemblance as an effect, not a cause or condition, of thought, since its appearance can be the effect of the aporias and contradictions stemming from the pluranimity at this time. Also, resemblance as an historical category fails to capture the fascinating play of concepts in their mutual determinations and exclusions. The

185. Spiegel, *Growth of Economic Thought*, 71-72.

Franciscan Ockham, followed by Buridan and Oresme, did not simply develop their nominalist principles and concepts by relying on resemblance, they did so in contention with the Dominicans. This is an important element of intellectual history and the historiography proper to its study that goes beyond a simplistic aversion to class antagonisms and ideology. Without it, there can be no appreciation for the real-world stakes of ideas. Furthermore, there is a great deal of historical and conceptual specificity that is overlooked by resemblance: first is the multiple historical sources utilized in the medieval synthesis, second is the totality of the Scholastic system in which concepts reinforced each other in an economy of thought that sought to bring order to material social conditions. Finally, Foucault's archaeological method as applied to the sixteenth century beginning with Copernicus is unable to grasp that it enters into the history of economic thought in a particular way that effaces all of this difference by embracing as its point of departure one version of economic theory from this period: namely, the nominalist point of view that ascribed to the intrinsic value of money. For the position that Foucault adopts to explain all thought and social practices of this century is precisely and without exception that the metallic content of coins was the source of all economic deliberations. This is not correct. In the next section we will track the development and spread of this nominalist position across Europe in its dynamic interplay with the more traditional Scholastic conception of money.

The break-up of the natural law doctrine as the center of economic thought, which is not to say its complete disappearance, would happen gradually and unevenly

throughout Europe depending on local circumstances.¹⁸⁶ Such unevenness merits closer attention, but it can only be pointed out here as something that also contributes to the epistemic conditions of subsequent intellectual developments. Throughout this historical transition that took nearly 200 years, certain elements of Thomism receded while others became more prominent. First signs of weakness appeared and proliferated on the Italian peninsula and then in Northern Europe. The centrality of the concept of charity declined, owing in part to Luther's eventual elevation of salvation by faith alone over good works, which came under criticism due to the sale of indulgences.¹⁸⁷ Private property, already given a foothold in the mundane world by St. Thomas as grounded in human convention, morally neutral, and even beneficial for the common good, would obviously have a bright future.

To be sure, the historiographic category of discontinuity can be used to describe such a transition, but an apt use of the term would apply it to particular strands of thought, specific thematic concerns, and individual concepts, instead of claiming that an entire historical epoch underwent a major epistemological break¹⁸⁸ *tout court* in the span of a few years, which is Foucault's way of putting it.

There is one final element of pre-sixteenth century economic thought that is worth mentioning. It has to do not so much with concepts *per se*, rather it speaks to a form of thought discernible in the manner of presentation and organization of early

186. For further reading on the decline of the Thomistic paradigm, see Příbram, *HER*, Chapter 2: "The Disintegration of Thomistic Reasoning," 20-30; Spiegel, *Growth of Economic Thought*, 76-81; Roncaglia, *Wealth of Ideas*, 41-52.

187. Spiegel, *Growth of Economic Thought*, 77.

188. For more on Foucault's use of Bachelard's conception of *coupure épistémologique*, see the section on discontinuity in chapter three below.

economic manuscripts. A fifteenth century Neapolitan duke, Carafa, produced a work on the processes, organization, and management of economic life whose “systematic arrangement alone would suffice to show”¹⁸⁹ its importance even if its content lacked any evidence of systematic analysis. Without intending to make too much of form vs. content, an analysis like Foucault’s that thinks in terms of semiotic structure of individual signs—by which is meant words—proves incapable of registering the slight but fertilized conceptuality that the organization of political economic texts hinted at. Carafa included many sections in his text that Adam Smith would eventually touch upon in *Wealth of Nations*, including the administration of justice, public finance, and economic policy. Schumpeter concludes that not only did Carafa seem to provide a sensible framework for economic writers for the next three centuries—which, if true, would traverse the entirety of Foucault’s focus on monetary facts during the sixteenth century—he was “the first to deal comprehensively with the economic problems of the nascent modern state.”¹⁹⁰ Indeed, one of the most glaring absences from *The Order of Things* is any consideration of breakthroughs in political philosophy in the fifteenth century, especially in Northern Italy. In a more commonly accepted notion of a historical break, Pribram argues the decline of sacerdotal authority and the Holy Roman Empire began in the fifteenth century. Skinner (1978) would agree and provide textual evidence linking the failure of nearly two centuries of attempts by the Holy Roman Empire to assert political hegemony over the Italian

189. Schumpeter, *HEA*, 163; Carafa, *De regis et boni principis officio opusculum*, 1668; see also Schumpeter, *HEA*, n. 3, 162.

190. Schumpeter, *HEA*, 163.

city-state republics to a refinement of a political concept of liberty, which became an ideological weapon developed by northern Italian cities to preserve their freedom.¹⁹¹

All of this, then, would be Act One before Foucault's first stage appearance by Copernicus. In the previous section on the special status of economic thought in *The Order of Things*, it was shown how the controlling principle of the presentation of the argument is a neutralization of class and ideological antagonisms. However, it should be clear from the foregoing pre-history on Scholastic Aristotelian versus Ockhamist nominalist systems that no such neutralization can be presupposed as a starting point of an historical analysis. Nor is it possible to think of it as an effect of an historiography that takes its cue primarily from epistemology. In fact, Foucault seems to have waded into a hotly contested argument caught unawares. We turn now to an analysis of that century.

Sixteenth century precious metals as the “money-sign”

According to *Écrits Notables* money, and specifically “monetary facts,” were the primary concern during sixteenth century economics. Foucault takes his cue from this, his only archival source for all of his sixteenth century texts. Foucault begins with the claim that “in the sixteenth century, economic thought is restricted, or almost so, to the problem of prices and the best monetary substance.”¹⁹² The stage is set for this to be a monetarist account of history, and a resemblance episteme seems to fit

191. Quentin Skinner, *The Foundations of Modern Political Thought, Vol. 1*. (Cambridge; New York: Cambridge University Press, 1978).

192. Foucault, *OT*, 168-169.

nicely within that purview. Given his starting point it follows that “all reflections upon wealth from Copernicus to Bodin and Davanzatti,” and indeed all sixteenth century monetary policies throughout Europe, whether Tudor devaluations between 1544 – 1559 or their reversal in 1561, were determined by metals’ appearance “as a sign...for measuring wealth, *in so far as it was itself wealth*” (Emphasis added).¹⁹³ Foucault is unaware of the fact that he is clearly reflecting the nominalist position that the metal content of money has an intrinsic value. It was one theory among others, but he asserts that this is the economic manifestation of the Renaissance episteme that determines all thought during the sixteenth century. In this way, his epistemological conclusion follows from and is a parasitic function of his history of ideas. Vigo de Lima’s text on Foucault’s archaeology repeats as much: “In economic thought, up until the end of the sixteenth century, knowledge was made possible by resemblance and analogy. Hence, the ability of money to measure price and to be the unity of exchanges fell upon its intrinsic value.”¹⁹⁴ Foucault does make one brief reference to “the Middle Ages, which gave either the prince or popular consent the right to fix the *valor impositus* of money,”¹⁹⁵ but he provides no historically informed elaboration of the conceptual conflict between the sovereign’s right to coinage and popular consent and use in commerce, nor does he demonstrate the intellectual fault lines determining the concept of money that his own analysis would seem to require or presuppose.

193. Foucault, *OT*, 169.

194. Vigo de Lima, *Archaeology of Political Economy*, 175.

195. Foucault, *OT*, 169.

Foucault's presupposition of the nominalist position may reflect a mistake in the economic literature dating from the nineteenth century of which he was probably not aware and did not understand. It bears citing here since it impinges directly on our analysis of his own history: "In the nineteenth and early part of the twentieth centuries, there seems to have been a prevalent view amongst historians that Oresme's ideas represented *the* scholastic treatment on monetary theory. These historians might have been more accurate to describe it as *the* nominalist statement."¹⁹⁶

This is precisely what needs to be explained—how the nominalist conception of money came to be important—as opposed to presupposing it, not only as the dominant idea from the get-go, but even more generally, as Foucault does, as the condition of possibility of all knowledge. The burden of argument here is not to falsify without exception any reference to resemblance during this time period; rather, the critical question is whether the archaeological project can adequately capture and explain the conceptual dynamics of economic thought.

Now, Simiand's preface avers that money, in order "to facilitate exchange, had to be particularly well defined, properly constituted, and defended against the fantasies of princes"¹⁹⁷ and other arbitrary phenomena. Simiand implies that the need for a non-arbitrary principle was a decisive condition for monetarist policies. What he fails to make clear—or at least what Foucault fails to see—is that the "fantasies of princes" was the socio-economic effect of the dominant economic theory bequeathed

196. Gordon, *Economic Analysis before Adam Smith*, n. 8, 190.

197. Simiand, "Avant-propos," in Le Branchu, *Écrits Notables*, tome 1, xiv.

by Thomism, and as such this theory was the intellectual backdrop of intellectual changes on the horizon that Foucault presupposes all along. Furthermore, Simiand is pointing to, perhaps without realization, the abstract idea that surplus appropriation was at stake in monetary practices. In fact the social need for a non-arbitrary principle to regulate surplus acquisition is not at all a new feature of an inchoate early modern secularism, since medieval just price theory and the prohibition against usury served essentially the same function. Paradoxically, from the standpoint of hindsight the Thomists placed the prerogative of this non-arbitrary principle in a decision by the ruler, whose actions were limited only by his personal holiness. In general, though, the Aristotelian-Thomistic worldview failed to conceptualize a purloined surplus *as such* because the underlying social dimension concerned a social process unthinkable to a moral philosophy limited to helping individuals avoid sin. The nominalists, for their part, came closer to realizing what was at stake. Oresme was clear that although the prince retained the authority of the mint, he neither owned the money nor did his reliance on reason to decide the *bonitas extrinseca* reflect a universal truth; rather, the community owned the money and the prince's decision was somewhat arbitrary and secondary to this principle. His rationale was that the prince's "legal determination must reflect a general consensus concerning currency values if money is to act, as it is intended to act, for the good of the community as a whole."¹⁹⁸ The caprice of rulers was, in theory at least, limited by social consensus. The gap between practice and theory was evident, however, for Oresme allowed for exceptions to the rule in

198. Gordon, *Economic Analysis before Adam Smith*, 190.

emergencies, including war. In these cases “the community may rob itself and debase its coin, an action that then has all the characteristics of a good tax.”¹⁹⁹ Such an analysis of the politics of surplus control and acquisition, as well as the gap between theory and praxis, is the fruit of historically abstracting from what we do know as the content as well as horizons of economic thought long ago.

At any rate, the nominalist perspective proved superior as debasement policies generated crises of money because the fall in the value of money was not acceptable to the community. This is the route by which the nominalist theory of money as a sign based on its metallic content—Foucault’s starting point—would begin to replace the Thomistic Scholastic theory, especially in the sixteenth century when the authority of the Roman church was under assault and its Dominican ideology with it.

Real world factors, especially the sixteenth century Price Revolution—which was beginning to be studied and understood by economic historians in the 1930s when *Écrits Notables* was published—crystallized the dilemmas and stakes, thus elevating monetary facts and the nominalist position to the forefront of economic thought. The reason why the Price Revolution posed an exceptional problem for economic thought must be determined, not assumed. Once again, as with the politics of surplus acquisition, the prevailing just price paradigm was unable to cope with or explain a real-world phenomenon. “The principle that just prices should conform to the permanent invariable qualities held to be inherent in goods implied that any

199. Spiegel, *Growth of Economic Thought*, 73.

increase in the price of a good was considered unlawful.”²⁰⁰ Of course Aquinas had been aware that prices in the market would at times differ despite the idea that the just price should reflect the immutable value of the class of goods in question. Roncaglia clarifies that Aquinas and his followers actually accepted the Roman legal notion of a “legitimate price” agreed to by the parties in exchange, so long as the agreed to price did not deviate drastically from the prevailing market price.²⁰¹ In this way they accepted the general rule that prices in exchange were common estimates of the just price. The coherence of a just price theory would unravel because the theory’s precept of an estimated price that deviated only slightly from the “just” market price—sometimes up, sometimes down, but never permanently nor with volatility—proved untenable under new social conditions during the sixteenth century being driven by the influx of silver from America, which resulted in steady, progressive, and irreversible inflation throughout Europe from the sixteenth into the seventeenth centuries.

It’s not clear how resemblance would account for a real or perceived need for a non-arbitrary principle behind decisions on money, although it could help describe how such a principle would be linked as a general rule to various circumstances. If resemblance itself were to be the principle, then Foucault’s argument would be tautological because it would be both principle and the form of thought that the principle is said to control. My argument suggests an alternative, which is that surplus appropriation by political authorities needed to be regulated to defend against

200. Přibram, *HER*, 14.

201. Roncaglia, *Wealth of Ideas*, 40.

arbitrary and capricious acts, but monetary crises over several decades —first by debasement and then by progressive inflation—undermined the prior dominant just price theory’s capacity to provide a rational argument for how to do so, thus the nominalist argument that grounded the value of coins in metallic content began to replace it. As acknowledged, evidence of resemblance is easy to find throughout this period of intellectual transition, yet it is best considered one form of conceptuality among others, not a universal episteme. At the level of historical causality the category Foucault’s episteme misses the import of new material forces and consequent intellectual shifts from the ethico-religious to a secular debate about the nature of monetary-based surplus appropriation. (This is why *The Order of Things* can suggest the “Renaissance” episteme extends all the way back 2,000 years.)

Foucault’s analysis of over one hundred years of sixteenth century Renaissance economics, under the heading “Money and Prices,”²⁰² runs a paltry five pages. It is based on the following claim regarding the relative order of money concepts: “The *two* functions of money, as a common measure between commodities and as a substitute in the mechanism of exchange, are based upon its material reality” (Emphasis added).²⁰³ One of the challenges of reading Foucault’s economic analysis is that he is often loath to use commonly accepted economic terminology; this may stem from either his lack of training in economics or from his concern not to be seen as attributing concepts anachronistically to previous time periods. He falls into circumlocution. Regardless, his history of ideas is that money as a store of value,

202. See Foucault, *OT*, 168-174.

203. *Ibid.*, 169.

which he identifies with its material reality or *bonitas intrinseca*, is the epistemic foundation for all thought regarding the two other functions of money as a medium of exchange and as a measure of value.

He identifies many of the intellectual dynamics taking place during this period. For example, he observes that “there was an attempt to bring monetary signs back to their exactitude as measures: the nominal values stamped on the coins had to be in conformity with the quantity of metal.”²⁰⁴ Also, his analysis successfully registers what we will insist on calling contradictions, even though he assiduously avoids using this historiographical category. He goes out of his way to depoliticize real contradictions because analyzing history in these terms would be contrary to the more expansive explanatory power of the archaeological method: if there are contradictions, they can be derived as mere effects of one and the same episteme. It is on this basis that he can reduce the concept of “epistemological foundation”²⁰⁵ to this relation of resemblance. The main problem is therefore not unfamiliarity with some of the broad outlines of the intellectual history. Rather, although a case for something like resemblance can be made, it is too reductive, and the consensus that Foucault presents by necessity among all the writers is difficult to sustain. It’s not two

204. Foucault, *OT*, 170.

205. “It is upon this epistemological foundation that reforms were effected in the sixteenth century, and that the controversies of the age assumed their particular dimensions,” Ibid. Note that in this sentence Foucault reaffirms what I suggested earlier about the structure of his argument that (1) both real-world practices and ideas are effected by the episteme, which is the peculiar problem of economics and not the other domains of knowledge featured in *The Order of Things*, and (2) “controversies,” that is, intellectual and political conflicts, can all be explained in terms of his episteme.

functions of money and their sole epistemic basis that is at stake in the thought of this age; rather, there are three conceptions of money, two of which are commonly known and accepted by both the Aristotelian-Thomistic and the Oresmian nominalist traditions, but both of which entail social and therefore conceptual problems for a third conception—whether money’s value is intrinsic or extrinsic—that is ambiguous and undergoing major shifts. The Aristotelian—by now archaic—concept of money is giving way to the nominalist position. It is possible to turn the archaeological conclusions on their head by saying that when evidence of resemblance is present, it is a form of thought being used as a result—not cause—of a set of conceptual dilemmas being shaped by concrete social conditions throwing up problems for long-held beliefs.

Copernicus

Copernicus’s contribution to economic theory is little known and perhaps underappreciated compared to his astronomy, but it is somewhat arbitrary to begin a history of economic thought with Copernicus, since Oresme two centuries earlier was aware of some of the same economic problems and theoretical formulations. Foucault began with Copernicus for no reason other than Le Branchu’s anthology was his sole archival source for the sixteenth century.

The real problem, however, is placing Copernicus strictly within the terms of the Renaissance episteme. Foucault did not cite Copernicus’s better-known work on astronomy, but it cannot be overlooked because it provides stark evidence that he was

not thinking strictly along the lines of resemblance, yet by the terms of Foucault's own argument, Copernicus would have to be. To be sure, evidence that Copernicus utilized the logic of resemblance is not hard to find, even in his astronomy; the point is it's not totalizing. Take for instance the resemblance between individual planets, drops of water, and the universe as a whole in the following passage:

First of all, we must note that the universe is spherical. The reason is either that, of all forms, the sphere is the most perfect, needing no joint and being a complete whole, which can be neither increased nor diminished; or that it is the most capacious of figures, best suited to enclose and retain all things; or even that all the separate parts of the universe, I mean the sun, moon, planets and stars, are seen to be of this shape; or that wholes strive to be circumscribed by this boundary, as is apparent in drops of water and other fluid bodies when they seek to be self-contained. Hence no one will question the attribution of this form to the divine bodies.²⁰⁶

But resemblance is not the only form of knowledge for Copernicus. His thought breaks away from resemblance nearly 100 years before Foucault's period would suggest.²⁰⁷ First, there is evidence that he developed a historical sensibility. This is not to suggest he operated from a rigorous historical method or concept of history, only that he undertook research in what the ancients had to say about his own objects of inquiry, and his manner of doing so escaped the boundaries of scholasticism.

206. Nicholas Copernicus, "*De Revolutionibus (On the Revolutions)*," 1543 C.E.; cited from <http://www.webexhibits.org/calendars/year-Text-Copernicus.html>.

207. Copernicus wrote *De revolutionibus* around 1514 but it was not published until his death in 1543. Foucault says the Renaissance lasts the entire sixteenth century and would not begin to shift to the Classical period until *Don Quixote* in 1605 or shortly thereafter.

I undertook the task of rereading the works of all the philosophers which I could obtain to learn whether anyone had ever proposed other motions of the universe's spheres than those expounded by the teachers of astronomy in the schools. And in fact first I found in Cicero that Hicetas supposed the earth to move. Later I also discovered in Plutarch that certain others were of this opinion. I have decided to set his words down here, so that they may be available to everybody: 'Some think that the earth remains at rest. But Philolaus the Pythagorean believes that, like the sun and moon, it revolves around the fire in an oblique circle. Heraclides of Pontus, and Ecphantus the Pythagorean make the earth move, not in a progressive motion, but like a wheel in a rotation from west to east about its own center.' *Therefore, having obtained the opportunity from these sources, I too began to consider the mobility of the earth. And even though the idea seemed absurd, nevertheless I knew that others before me had been granted the freedom to imagine any circles whatever for the purpose of explaining the heavenly phenomena.* [Emphasis added.]²⁰⁸

More importantly, Copernicus's form of thought began to exhibit signs of Foucault's later Classical episteme.

The researcher who would examine individually various phenomena, regardless of the order and the narrow dependence between them, could be compared to a man who, borrowing fragments of the body such as hands, feet and other parts, painted truly masterfully, but in representing various bodies would then think of bringing together disparate fragments that do not meet each other and whose assembly might give the image of a monster rather than a human body.²⁰⁹

In this passage Copernicus is criticizing a "researcher" who fails to consider a proper "order and narrow dependence" between individual phenomena. This is hardly the mind of a person who is scanning the material world for mere resemblances. To be sure it's not a fully developed scientific method, but it aligns better with Foucault's Classical episteme by demonstrating concern over the precise nature of the

208. Copernicus, "*De Revolutionibus*," <http://www.webexhibits.org>.

209. Copernicus, *De revolutionibus erbiium celestum*, cited from Le Branchu, *Écrits notables*, xxvii.

relationship between parts and the whole, objects that are adjacent to each other, and, in particular, how a representation of some parts without consideration of the whole would be inaccurate. The adequacy of a representation of the totality of an object was important to Copernicus. A form of thought restricted to similitude would relate various parts to other objects far-removed from those parts (and the whole which they comprise), regardless of any space and time gap between them, but clearly Copernicus was not thinking in these terms, and he would have called that irrational.

In *Discours sur la frappe des monnaies*²¹⁰ (1522-26) Copernicus reflects in a general manner on the fate and fortune of political society. He writes of the “innumerable plagues” that lead to the “decadence of kingdoms, principalities, and republics,” four of which stand out as the “the most dreadful: discord, mortality, sterility of the earth and the depreciation of the currency.” The first three are too obvious for anyone to ignore, he explains, but the scourge of currency depreciation is noticed only “by few people with the most open minds, because it does not ruin states in a violent fashion or all of sudden, but little by little and in an almost imperceptible manner.”²¹¹ This places him in a long line of writers who participated in a genre of advice to princes dating to at least the thirteenth century.²¹² Unlike most research on

210. Copernicus, *Discours sur la frappe des monnaies*, in Le Branchu, *Écrits Notables*, 5-21. Note: although my interpretation of Copernicus comes from my reading of his treatise in Le Branchu, it should be said that the original, which I have not read, is in Latin: *Monetae cudendae ratio*, a version of which can be found alongside a more up-to-date French translation at <http://www.taieb.net/auteurs/Copernic/monete.html>.

211. Copernicus, *Discours*, in Le Branchu, *Écrits Notables*, 5.

212. See Skinner, *Foundations*, vol. 1, 33; Muratori, *The Pastoral Eye*, from 1222; And also: “the best known as well as the most extended contribution to this *genre* at

the advice to princes literature that focuses on the emergence of secular political thought in late medieval and early modern Europe, it is apparent that Copernicus is not focused on the maintenance of power or the slow evolution of political concepts; indeed, it drops any further consideration of political factors and concentrates on the economic problem. This tract is an early testament to the appearance of the Economic as a distinct form of social analysis with commensurate categories specific to its own domain. Although the form of economic analysis demonstrated by Copernicus is not rigorous, the text suggests he was at least bothered by what appeared as a conceptual distinction between an economic disturbance, which operates “little by little,” compared to sudden upheavals that were the nature of political crises. It is a premature yet noteworthy manifestation in the history of European social thought of the separation of economics from politics.

Foucault will draw his analysis from this general introduction by Copernicus. The pamphlet, however, is by no means an abstract exercise concerning money and political fortunes. “After presenting general remarks on the currency, [we can] now proceed to the Prussian currency...”²¹³ Working from the general to the particular, Copernicus makes specific policy recommendations to the Polish king Sigismund I, who had sought advice to ameliorate conflicts with the *Grands Maîtres* of the Teutonic Order of Prussia. The two had just concluded a war in 1521. The grandmaster had adopted a policy of regular debasements since the mid-fifteenth

this formative stage in its development was John of Viterbo’s account of *The Government of Cities*, which he completed in the 1240s after serving as one of the judges to the *podestà* of Florence,” Skinner, *Foundations*, Vol. 1, 33.

213. Copernicus, *Discours*, in Le Branchu, *Écrits Notables*, 7.

century, in part to fund ongoing conflict and war, a policy that was replicated by the three rebellious Prussian cities of Thorn, Elbing, and Danzig that had sought the Polish king's protection. Tit-for-tat debasements led to the ruin of the currencies in circulation.²¹⁴ Sigismund sought to end the disorder by negotiating a Prussian-Polish monetary union that was concluded in 1528.²¹⁵ The practice of debasement and its insidious effects in Central Europe provided the limited yet specific socio-political context for Copernicus to identify the problem of Gresham's Law wherein bad money, which has been clipped of silver or gold content and diluted with an alloy, usually copper, drove good money out of circulation. Such were the monetary facts that presented the appearance of the problem to Copernicus, but as will be seen, it implicated the concept of value in terms of money.

After identifying the effects of depreciation, Copernicus insists "it is important that [money] should still retain a safe and unchanging size as a measure" for the same reason that "law and order is frequently blurred and the buyer, as the seller, would be injured if the yardstick, a bushel or weight does not maintain a well specified proportion."²¹⁶ Foucault, attempting to synthesize a great deal of historical data under the sign of resemblance at this point, reads too much into this reference by Copernicus to other units of measure that are set by the prince by drawing from it that "In consequence, money does not truly measure unless its unit is a reality that really

214. Henry Dunning Macleod, *Bimetallism*, (Longmans, Green, 1894), 9.

215. For a concise history of the Prussian-Polish situation, see Oliver Volckart, "Early Beginnings of the Quantity Theory of Money and Their Context in Polish and Prussian Monetary Policies, C. 1520-1550," *The Economic History Review*, New Series, 50, no. 3 (August 1, 1997), 431-32.

216. Copernicus, *Discours*, in Le Branchu, *Écrits Notables*, 5.

exists.”²¹⁷ All that Copernicus intended at this point was to confirm the prince’s prerogative to fix all measures and weights in the realm, including money as a measure of value, *despite* his belief in a contradictory maxim of common consent of money as a medium of exchange. This political authority must be maintained because, in a clear criticism of the nominalist theory, Copernicus grasps that individual members of the community are not in a position to know at the time of exchange whether money is good or bad; that is, whether the function of money as a measure of value is good or bad whenever its function as the medium of exchange is exercised: “exchanges could be done using only the weight of gold and silver, these metals are, by general consent, all popular [...] the purity of gold and silver could not be verified at first by everyone.”²¹⁸ Individuals participating in social acts of exchange present a problem for a metallist theory. Copernicus gets this far, but he is not in a position to progress beyond pointing out the tension between the two concepts of money as medium and measure and then asserting the need for the prince’s *estimatio* to control for it. What is the historian to draw from this? For one, money is an abstraction of social relations. And while it would be an obvious case of anachronistic concept attribution to suggest that Copernicus was thinking explicitly in terms of ‘money abstraction’ or even implicit ‘social relations,’ the task of the historian is to identify those moments at which these categories break through the morass of premature thought as the presentation of real stakes. It is partly upon this

217. Foucault, *OT*, 169.

218. Copernicus, *Discours*, in Le Branchu, *Écrits Notables*, 6.

basis—as far as the relations among ideas are concerned—that change occurs. This is what historical abstraction does/shows.

It is certain that Copernicus was influenced by the Oresmian theory, even if he was not familiar with Oresme's text (though Biel's manuscript that drew from Oresme was in circulation during the sixteenth century). Copernicus makes an unequivocal statement regarding the relation between the estimation and its materiality. It is upon this statement that Foucault will attach the utmost significance because it suggests to him resemblance. Note, however, the immediate condition that Copernicus places on it: "No doubt this estimate depends on the kindness of matter [i.e., resemblance], but it is important, however, to distinguish the value of the currency from its estimate because we can estimate more money than the matter from which it is made."²¹⁹ Copernicus's concept of value is more problematic than a simple attempt at "drawing things together [to] reveal some sort of kinship, attraction, or secretly shared nature"²²⁰ between the materiality of metals and money's value. First, there is a *mathesis* principle at work in the determination of the relation insofar, as Copernicus makes clear, "the estimate of money is fair and equitable when it contains a little less gold and silver than it would be possible to buy with it, including what to deduct for the cost of coinage."²²¹ It has never been pointed out in the literature, but it seems Copernicus is referring to the cost of production of money coins. These costs should be taken into consideration by the prince when determining the *estimatio*. A

219. Copernicus, *Discours*, in Le Branchu, *Écrits Notables*, 6.

220. Foucault, *OT*, 55. This is another description of the mind that operates according to resemblance.

221. Copernicus, *Discours*, in Le Branchu, *Écrits Notables*, 6.

form of knowledge that relies on *mathesis*, however, is one of the pillars of Foucault's Classical episteme of representation; a *mathesis universalis* can be traced to Leibniz, Descartes, and Hobbes, all of whom are Classical figures. It reflects a system of signs that entails a "calculation of equalities and the genesis of representations."²²² This form of knowledge is not supposed to make an appearance in history until the seventeenth century, but clearly it can be seen at work in the early sixteenth.

Not only this, but already there is reason to doubt the history of economic thought in *The Order of Things* because it's not until the Classical age that we should "encounter the theory of money and the theory of value — the science of signs that authorize exchange and permit the establishment of equivalences between men's needs or desires."²²³ Finally, despite the fact that Copernicus made headway into a theory of money and its value, it can be seen that he remains more or less confused about its precise nature. The following constitutes final, incontrovertible proof that he did not reduce the value of money to its materiality: "The [prince's] footprint must add value to the material itself."²²⁴

The debasement of coins in East Prussia and the kingdom of Poland from the mid-fifteenth century created difficulties specifically for money's two functions as a medium of exchange and measure of value. This incentivized Copernicus to attempt a more precise definition of what it meant to be a store of value. What we get is not a straightforward theory of resemblance between precious metals and prices, but rather

222. Foucault, *OT*, 73.

223. Ibid.

224. Copernicus, *Discours*, in Le Branchu, *Écrits Notables*, 6.

a historically contingent and somewhat confused understanding of what it means still to have a princely *estimatio*, all the while asserting the opposite, metallist notion that material itself is the basis of value. The tension or contradiction in this conceptual nexus is driving the thought process. The historical novelty in Copernicus's essay is that the *estimatio*'s referent has transferred from some other commodity's just price, which would be the "pure" Scholastic theory, to the value of money's own precious metal.

There have been vigorous debates concerning the nature and causes of the Price Revolution. The three major theories center on population growth, urbanization and its increase in the velocity of money, and a monetarist explanation of an increase in the supply of gold and especially silver from the Americas via Spain.²²⁵ Fisher dates the beginning at around 1525, and his monetarist thesis would have it starting in Spain and only later spreading throughout Europe as a result of Spain's balance-of-payments deficit.²²⁶ Goldstone presents evidence to the contrary that prices in England began to rise by 1510. Regardless of when the general phenomenon really started, it's reasonable to conclude that the true gravity of general inflation as a continental problem—a continuous increase in prices five or sixfold across Europe that did not slow until the Thirty Years' War—was neither felt by nor apparent to

225. See Douglas Fisher, "The Price Revolution: A Monetary Interpretation," *The Journal of Economic History* 49, no. 4 (December 1, 1989): 883–902; for a rebuttal, see Jack A. Goldstone, "Urbanization and Inflation: Lessons from the English Price Revolution of the Sixteenth and Seventeenth Centuries," *American Journal of Sociology* 89, no. 5 (March 1, 1984): 1122–60; and Jack A. Goldstone, "Monetary Versus Velocity Interpretations of the 'Price Revolution': A Comment," *The Journal of Economic History* 51, no. 1 (March 1, 1991): 176–81.

226. Fisher, "The Price Revolution," 883.

Copernicus in the 1520s. For this reason, Copernicus has a more ambiguous and confused relation to the concept of money, especially as a store of value, than his counterparts later in the century, including Bodin and Davanzati. There is, in other words, a more gradual development in the concept of money than the picture that Foucault gives in the swipe of single brushstroke.

In short, there was no Copernican revolution in matters economic. His treatise is a fascinating read and a very important contribution to the history of economic thought, in particular as it helped correct a longstanding historical error of attributing Gresham's law to Gresham (actually, Copernicus was not the first to think it), as well as the origin of the quantity theory of money. To Great Depression-era monetarists, including Le Branchu, the importance of these issues could easily be over-emphasized. As Foucault would argue, Copernicus believed the value of money was first and foremost its material reality. There is truth to this. What Foucault misses is that Copernicus's "use of the word *estimatio*, however, appears to be archaic,"²²⁷ by which is meant Copernicus was still drawing from the Scholastic concept of value. One could argue for a kind of resemblance in this thought process, but it is not definitive, nor does it capture the historical and conceptual nature of Copernicus's economic thought, which both reflected competing strains of prior Scholastic thought and also exhibited clear signs of later, Classical-era epistemology.

Early Modern dynamism or static Renaissance?

227. Volckart, "Early Beginnings of the Quantity Theory of Money," 437.

As the sixteenth century progressed, so did inflation across Europe.

Copernicus was no doubt aware of a quantity theory of money,²²⁸ and although he refers both to debasement and an increase in the supply of metals used as money, his thinking lacks clarity on their relation and difference. This is because two phenomena with different causes share the same outcome: both debasement and supply of metal increases can be represented by the simple equation $M - M'$, in which M equals the supply of money coins in the first time period and M' equals an increase in money from the first to the second time period. If $M = 100$ and $M' = 120$, then debasement can achieve M' by diluting the quantity M of precious metal, say, silver, by 20%, and re-coining that same total quantity, admixed with a copper alloy, to yield M' , or 120 coins. The quantity of silver has not changed, but prices would increase 20% if the prince's *estimatio* does not reflect the debasement. But the same 20% increase in prices is experienced without any debasement if there is an exogenous increase in the supply of silver of 20% that is coined, thus yielding the same $M - M'$ increase; in this case there would be no instigating need to consider altering the prince's *estimatio*. $M - M'$ is the same for both debasement and an exogenous increase in the supply of precious metal, thus yielding the same 20% inflation, the difference being that in debasement the total quantity of silver remains exactly the same, whereas the supply has increased by 20% as a result of exogenous forces in the alternative scenario.

Just a few decades following Copernicus, the difference between inflation by debasement and inflation by increase in the supply of metals became more

228. “La monnaie se déprécie le plus souvent à cause de sa quantité excessive...,” in Copernicus, *Discours*, in Le Branchu, *Écrits Notables*, 7.

pronounced. Policies aimed at countering debasement failed to bring prices under control, in part as a result of the influx of metals from the Americas. At the same time, major developments in the political organization of European societies, namely the neutralization of religiously-fueled internal strife by a trend towards bureaucratic absolutism and the formation of great nation-states, made more apparent the problem of external balance of trade that would inevitably color nearly all discourse about money. Tied to this, especially in England, are successive developmental phases of merchant factions and trade routes between 1500 – 1650,²²⁹ which would form the backdrop of Parliament's power struggle with the crown throughout the seventeenth century, as well as enclosures removing peasants from the land, which saw a sharp increase during the Tudor period and would set off a tectonic transformation in English social relations, thereby setting the stage for the transition to agrarian capitalism.²³⁰ Despite all this dynamism seizing hold of Europe at this time, most notably England, on Foucault's radar are only monetary facts. My criticism is grounded in his historiography first, because I acknowledge that ideas about money were an important and at times predominant conceptual lens through which sixteenth century economists viewed the field, but at stake is the adequacy of both Foucault's concept of history and the historical account that he gives. He hypostatizes monetary facts, as if they can be the *sole* lens through which economics and economic thought

229. Robert Brenner, "The Social Basis of English Commercial Expansion, 1550-1650," *The Journal of Economic History* 32, no. 1 (March 1, 1972): 361–84.

230. T. H. Aston and C. H. E. Philpin, eds. *The Brenner Debate: Agrarian Class Structure and Economic Development in Pre-Industrial Europe*. Past and Present Publications, (Cambridge [Cambridgeshire]; New York: Cambridge University Press, 1985).

can be understood. A corollary to this is his restricted concept of “practices” that ossifies a tight parallel between monetary theories and monetary policies implemented in England and then France. Again, this reflects his monetarist bias mentioned earlier. This may not seem problematic in so far as sixteenth century texts and ideas discuss and at times even emphasize problems of money; nevertheless, isolating this single factor risks over-simplifying the history of economic thought as well as a contemporary historiography adequate to the task of studying the past. There is also the lingering problem of a single epistemic condition to explain over one hundred years of monetarist discourse. The appearance of the economic problem for contemporaries of the sixteenth century may have been biased at times towards the problem of money, but of course monetary facts were not static during the sixteenth century, nor were the policy initiatives that were put into practice. Changes in the facts on the ground, differences between England, France, and elsewhere, and non-monetary events—and ideas—helped generate and give shape to debates regarding the concept of money and money’s relation to prices. This is more aptly characterized as a period of Early Modernity, not a static Renaissance.

The next sections will clarify the relationship between the concept of money and other economic concepts such as the commonwealth, enclosures, markets, pasturing and farming, and trade. One aspect of my argument is that economic concepts of this period are not those of today, rather different. ‘Enclosures,’ for example, is for us today the name of the social material process of removing peasants from the land centuries ago, but for those who lived through it, ‘enclosures’ was also

an economic concept, one that those of us looking back on the past have no need for, except to the extent that it provides source data for our abstracted category of primitive accumulation. The literature of the period, however, makes quite clear that the socio-economic phenomena weighed heavily on the minds of writers like Thomas Smith. It provided a distinct and specific mental scheme of both opportunities and challenges confronting the individuals of the Commonwealth.

A Discourse of the Common Weal of This Realm of England, Enclosures, and England's Path to Agrarian Capitalism

Thus on the whole it's not clear that Foucault grasps either the general sweep of social and intellectual change, nor the particularity of adversarial positions staked out by the texts he cites, even as they sift through the monetarist themes in which he is explicitly interested. He appropriates data²³¹ from Le Branchu without comment concerning Tudor England policies between 1544-59 that forced up the nominal value of money, as well as the reversal of this policy in 1561, in order to make a valid observation that amounts to a minor epistemological point that coinage was to be "restandardized on the basis of its metallic weight."²³² This is the context in *The Order of Things* in which he implies that the *Compendious*, a mid-sixteenth century text in circulation in England for a few decades before it was published in 1581,

231. Le Branchu, *Écrits Notables*, tome 1, lxxxii.

232. Foucault, *OT*, 170.

influenced English monetary policy.²³³ By this account, the *Compendious*, known in English as *A Discourse of the Common Weal of this Realm of England*,²³⁴ is good for one thing only: to demonstrate the direct epistemic link between metallic material and the money-sign.

Foucault is frequently lauded for his original interpretations of literary texts and works of art, such as his celebrated analysis of Velázquez's *Las Meninas* (1656), or his juxtaposition of the two parts of *Don Quixote* (1605). His skills in this regard are not on display with respect to *Discourse of the Common Weal*. It's a missed opportunity. Perhaps his reading of this dialogue came pre-scripted by Le Branchu, whose introductory analysis in *Écrits Notables* is confined primarily to the thorny issue of its authorship and monetarism? Better to take our cue from Roncaglia, who cautions, "with respect to this work, the accusation of chrysoedonism (*sic*) appears far from demonstrated, if we avoid isolating individual statements from their context."²³⁵ Chrysohedonism is called the "Midas fallacy" because it is the mistaken belief that pure gold is the source of all wealth.²³⁶ It appears that Foucault has fallen into this

233. "It is not known whether the *Compendious*, which was not published before 1581, but was certainly in existence and circulating in manuscript for thirty years beforehand, inspired England's monetary policy under Elizabeth," Foucault, *OT*, 170. The unattributed use of Le Branchu's data comes in Le Branchu's analysis of the *Compendious* (see n. 145 *supra*), which may explain why Foucault implies the connection in an indirect manner.

234. Thomas Smith, *A Discourse of the Common Weal of This Realm of England*, ed. Elizabeth Lamond, (Cambridge: University Press, 1893).

235. Roncaglia, *Wealth of Ideas*, 42, note 66 (continued from pg. 41).

236. Jomo K.S and Erik S. Reinert, *Origins of Development Economics: How Schools of Economic Thought Addressed Development*, (London; New York : Zed, 2005), 1.

reductive trap of reading Smith's *Discourse* as a Chrysohedonist, i.e., merely monetarist text.

Unlike many other short manuscripts of this era on economics, the *Discourse of the Common Weal* by Thomas Smith cannot be approached so singularly without doing it significant injustice. The true purpose of *A Discourse of the Common Weal* is an examination of “the cause of the said common and vniuersall dearth of all things.”²³⁷ It is a series of three lengthy and at times lively dialogues approaching 200 pages in length. By mentioning only what it has to say about the money-sign, Foucault gives his reader the impression that the concept of money was the only issue of economic concern to the people of this day or to the author of the *Discourse*. While there's no need to argue with Foucault that the problem of money is central to Smith's examination of the cause of dearth, it is crucial to grasp how Smith perceived this particular cause-and-effect relationship in light of other economic and political phenomena. The analysis of money is, in other words, demonstrated by way of consideration of a number of other issues that we must conclude are essential to any understanding of Smith's economic thought, especially enclosures.

To avoid a reductive reading of Smith's text, it will be necessary to develop a proper framework to comprehend its monetarist statements. This framework is twofold: first, it is external to the text, that is, sixteenth century England—primarily the Tudor period—which witnessed both social and economic disruptions as well as a commensurate strengthening of the English monarchy and state bureaucracies to deal

237. Smith, *Discourse of the Common Weal*, 117/37.

with domestic crises; second, the text itself that references its economic thought, as well as how its literary content and structure inform its economics. The bulk of my analysis will focus on the latter because, while it is important to place the *Discourse* in its socio-economic and ideological historical context of early modern developments, it is more crucial for the purpose of a critique of Foucault's archaeological method to comprehend the text at the level of its conceptuality.

Foucault believes that the causal impact of debasement of the coin on dearth constitutes proof of what he calls the archaeological necessity of the text. Rather, the form of Smith's political economic argument must be grasped in relation to its socio-economic context, its ideological context, and the conceptuality internal to the text itself.

The text's conceptuality can be discerned at the two different though related levels of form and content. The formal level includes: the history of the keyword "commonwealth" as a political abstraction and contested notion throughout the early modern period, the import of the *Discourse* being a dialogue and the dialogue's setting with respect to enclosures, the social composition of those participating in the dialogue, and finally the understanding of Aristotelian Prime Cause as indicative of Smith's mechanistic form of analysis. At the level of content we will study Smith's theory of money, his argument in favor of manufacturing for export, as well as the lively debate over enclosures.

Ideological context: the history of “commonwealth” as a contested notion

The term “Common weal” was widely used for various purposes for over 100 years by the time Smith used it in 1561. Its lexical and conceptual evolution refuses any reductive argument by way of resemblance; rather, the archive of its conceptual, political, and ideological uses suggests something very different: political discourse enjoys an epistemic basis quite different from other forms of discourse, including economics. In politics, certain general but essentially important terms, such as commonwealth during the sixteenth century, act as keywords and gain salience and circulation by dint of being abstractions that, while not necessarily empty abstractions, are labile and contestable precisely because their content is not fixed or determined within the social sphere. Thus class polemics may be studied using the tools of ideology analysis, but ideology itself is only one form of the relation between words and thought. Another form that calls for a different kind of analysis would be conceptual. Political concepts are more contestable than economic concepts because the empirical “material” that forms the basis of abstraction is, itself, called into question.

Commonwealth, like many political terms, can trace its inheritance from Aristotle, Cicero, and Augustine through the letters to princes literature of the middle ages and into English as translations of the Latin *bonum commune*, *utilitas communitas*, and *utilitas publica*. In this sense its usage had a rather conventional

meaning regarding the preservation of legitimate and good government.²³⁸ There was, however, a further conceptual abstraction that gave it additional importance in England by the 1450s. The Ciceronian Latin concept *res publica*, which he defined as the “concern of a people [...] associated with one another through agreement on law and community of interest,”²³⁹ was also in usage by those involved with public life. Its popularity called for translation into the vernacular, which yielded ‘thyng public,’ ‘good publique,’ and ‘common profite.’²⁴⁰ The key thing worth noting regarding this lexical and conceptual promiscuity is that the common good came to denote “an almost tangible entity”²⁴¹:

Such terms as ‘common profit’ and ‘common weal’ thus linked notions of legitimate government to a conception of political collectivity, of polity, supplying a powerful reason for the sixteenth-century emergence of ‘commonwealth’ as a term for the political order, or state.²⁴²

Sixteenth century socio-economic context

One factor driving conceptual disputes was civil strife and disorder. The social context during which Smith conducts his examination included turbulent decades that witnessed not only destabilizing inflation and debasement of the currency, but also a series of harvest failures in 1545, from 1549-51, and 1555-57; popular rebellions in

238. “Commonwealth: The Social, Cultural, and Conceptual Contexts of an Early Modern Keyword,” *The Historical Journal* 54, no. 03 (September 2011): 664. doi:10.1017/S0018246X11000203.

239. Marcus Tullius Cicero, *Cicero: On the Commonwealth and On the Laws*, ed. James E. G. Zetzel and Raymond Geuss, (Cambridge University Press, 1999), 18 [39A].

240. “Commonwealth: The Social, Cultural, and Conceptual Contexts,” 665.

241. *Ibid.*, 666.

242. *Ibid.*, 664.

Norfolk and West Country in 1549 and political coups in 1553 and 1554; changes in the form and rate of taxation by the state²⁴³; concerns over population growth and decline; waves of enclosure of the commons from as early as the fifteenth century; and consternation over the decline of both countryside and towns.²⁴⁴ Regarding fiscal policy and complaints over taxation, In the mid-fifteenth century “taxation ran down the capital of established merchant dynasties while making the conditions unpropitious for the emergence of their successors”; so while it was possible that inflation could have an insidious effect on wealth over the long run, taxation policies could deplete merchant wealth by one-third or one-quarter in the span of just several years.²⁴⁵ Overall, concerns over the decline of quality of life led to social unrest and called for intellectual reflection on the need for reforms.

This socio-economic context is important to note because, as mentioned earlier, the structuring principle of Foucault’s analysis of economics is always to mitigate social conflict and to subordinate class and ideological antagonisms to a single and shared episteme. In doing so, his work on economics in the 1960s can be

243. Take, for instance, John Donne’s poem “Loves Growth,” in which he draws on the economic metaphor of the prince’s ever-increasing taxes to describe the growth of love:

*though each spring doe adde to love new heate,
As princes doe in times of action get
New taxes, and remit them not in peace,
No winter shall abate the springs increase.*

Cited from Coburn Freer, “John Donne and Elizabethan Economic Theory,” *Criticism* 38, no. 4 (October 1, 1996): 503-4.

244. R. W. Hoyle, “Taxation and the Mid-Tudor Crisis,” *The Economic History Review*, New Series, 51, no. 4 (November 1, 1998): 649.

245. *Ibid.*, 671.

understood as participating in what Andy Wood describes in *The 1549 Rebellions and the Making of Early Modern England* (2007) as a general trend among postmodern historians to downplay the polarized nature of elite versus popular cultures in early modern society.²⁴⁶ It is possible, therefore, to assert more precisely a periodization of this century that differs from Foucault's notion of the Renaissance as rooted in resemblance thinking. Wood explains, "early and mid-sixteenth-century England reverberated with a harsh sense of class conflict: as the Henrician pamphleteer Sir Richard Morison observed, 'In time of peace, be not all men almost at war with them that be rich?'"²⁴⁷ Thomas Smith must have grasped the depth of social fissures that found expression during the mid-century rebellions because, writing the *Discourse* in 1561, he chose to set it during 1549 and the work of the Commission on Enclosures of 1548.

However, despite or as a result of political and economic challenges, the English state experienced an uninterrupted period of centralization and modernization that began with the religious reforms of Henry VII. His subordination of the Church to the Crown eliminated its separate axis of social power. By abolishing the monasteries, he reaped a financial windfall that enabled him to win the loyalty of the nobility. By the time Elizabeth's reign had come to an end several decades later, the beginning of bureaucratic rule had taken hold by the transfer of administrative duties from the royal household to the Privy Council. Also, fact-finding royal

246. Andy Wood, *The 1549 Rebellions and the Making of Early Modern England*, Cambridge Studies in Early Modern British History, (Cambridge, UK; New York: Cambridge University Press, 2007), Introduction.

247. Ibid.

commissions—one instance of which we’ll shortly read more about in the *Discourse*—were used to survey the welfare of the country, and their findings often informed royal decrees. On all matters of policy except taxation, the Tudors sought the approval of Parliament. Finally, the procedural application of English common law was streamlined, and its authority was extended to some of the provinces including Wales.²⁴⁸

To conclude, it is possible to *over-emphasize* the threat of popular unrest or rebellions.²⁴⁹ It is more significant, in other words, that dearth led to so few outbreaks

248. For a more detailed explanation of the modernization of the English state, see N. Wood, *Foundations of Political Economy*, 9-14.

<http://ark.cdlib.org/ark:/13030/ft7j49p1nm>.

249. For a more nuanced—and more radical—view of the significance of the 1549 rebellions, see James Holstun, “The Spider, the Fly, and the Commonwealth: Merrie John Heywood and Agrarian Class Struggle,” *ELH* 71, no. 1 (April 1, 2004): 53–88. Noting the inability of the theory of bourgeois revolution, in which “a class of commoner capitalist farmers, merchants, and manufacturers rises and overthrows a class of feudal lords” (56), to explain why the Duke of Somerset, “probably the wealthiest person in England after the king” (53), would ostensibly abandon his class interests by “converting his demesne lands to copyhold, dispossessing his own heirs of these lands” and authorizing “a roving commission under John Hales to hear complaints about enclosure” (53), or to explain why Robert Kett disavowed his own yeoman interests by leveling his enclosures and leading the populist Kett’s rebellion, Holstun argues that 1549 was a period of “complexly intelligible instances of class conflict in a revolutionary situation” (55) that witnessed an “internal transformation of the English ruling class through new strategies for extracting surplus labor and new class alliances” (56). The novelty of Holstun’s analysis focuses attention on a political struggle “between two modes of production, which I will christen ‘aristo-capitalism’ and ‘monarcho-populism’” (56), the latter of which is a “post-feudal but anti-capitalist mode of production that attempted to use the resources of a newly centralized Tudor monarchy to maintain and even extend the relative independence enjoyed by free English small producers during their fifteenth-century golden age” (56). This framework, Holstun suggests, can account for the otherwise paradoxical behavior of Somerset and Kett:

During the mid-Tudor crisis, a tenuous alliance of monarcho-populist lords, their counselors, and small producers (yeoman tenant farmers

of rebellion rather than the occasional ones it did.²⁵⁰ This deflationary conclusion would hold that “the institutions of social regulation were prompted into vigorous activity in years of scarcity both by fear of disorder and by the authorities’ sense of their own responsibility to ameliorate the crisis.”²⁵¹ That rebellions and uprisings were not more common and/or more successful is proof that elite responses to the problem of dearth were, if not necessarily completely successful, at the least accepted by society.²⁵²

The dialogue form of The Discourse of the Common Weal

The lengthy dialogue takes place among a conclave of characters representing all strata of English society who can be considered economically productive. “It hapned betwene suche persons as weare members of everie state that find them selues greved now a dayes.”²⁵³ In attendance are a knight who is a landowner (and from whose perspective the dialogue is recalled by memory), a merchant,

like Kett) struggled with a stronger aristo-capitalist alliance of gentleman, yeomen, their dependents, and their mercenaries...From the perspective of their victorious opponents and the capitalist social formation that prevailed, wealthier monarcho-populists like Somerset and Kett looked something like class traitors. But from the utopian perspective of monarchist small production that still seemed possible at mid-century, they look more like purposive and even self-interested radical/conservative actors, unified by anticapitalist commonwealth ideology (57).

250. John Walter and Keith Wrightson, “Dearth and the Social Order in Early Modern England,” *Past & Present*, no. 71 (May 1, 1976): 42.

251. *Ibid.*, 41.

252. *Ibid.*, 41.

253. Smith, *Discourse of the Common Weal*, 92/12.

husbandman, a capper representing skilled artisans, and a doctor of divinity, Pandotheus, whose role is not to represent the Church but the rational and disinterested perspective of a learned scholar. Pandotheus essentially referees the dialogue and moderates the others' biases. The most important exchanges are between the land-owning knight and Pandotheus, which is a reflection of the text's moderate and reformist political commitments.

Also, the dialogue form reflects Ciceronian influence. It veers off on a tangent for nearly twenty pages regarding the importance for the Commonwealth of "learned" men. Headings to this section include:

Whether a Comon welthe may be gouernede withowt lerninge. That the lernede haue always had the souereyntye ouer the unlernede. Whether a man maye be wyse withowte lernynge. That lernynge supplyythe the lake of expereyence and that experience ys the fathere of wysdome...²⁵⁴

Smith decided to use the dialogue form to expound upon matters economic because "Cicero stressed the role of deliberation—*consilium*—in the exercise of government. [...] the commonweal could be cured through dialogue."²⁵⁵ The politics of the piece comes into focus: if dialogue is curative of society's problems because it could offer a way of "reasoning the polity back into good health,"²⁵⁶ then its setting during the anti-enclosure turmoil of 1549 is meant to displace actual protest, which proved so offensive to early modern ideological norms of social order in the commonwealth²⁵⁷,

254. Smith, *Discourse of the Common Weal*, 82/2.

255. "Commonwealth: The Social, Cultural, and Conceptual Contexts," 671.

256. *Ibid.*, 672.

257. "Morrison and Cheke, responding to the risings of 1536 and 1549 respectively, invoked the commonwealth ideal in support of the government in its fight against

with the calm and disinterested analysis of reason-thru-dialogue. Indeed, the opening lines make this abundantly clear:

Knight: After I, and my felowes the Iustices of peace of this countrie, had the other daye declared the kinges highnes commission towching inclosures, and [geven] the chardge to the enquest, I *beinge bothe werie with the heate of the people and noyse of the same, thought to steale to a frendes house of myne in the towne...*[emphasis added]²⁵⁸

It's as if the Commonwealth's idealization of civil conversation provided a prototype of communicative action, only its democratic commitments are a surface appearance, not real. I say a surface appearance and not real because "each speaker was allowed to play his part, in a structured way under the doctor's eye."²⁵⁹ While each character is given an opportunity to hypothesize as to the cause of "universal dearth," the Doctor steps in and corrects them. Still, credit must be given to the choice of dialogue form insofar as it allows the author to distance himself from potentially incendiary viewpoints that are attributable to fictional characters. "The dialogue form thus both explored and exploited the multivalent and contentious nature of commonwealth."²⁶⁰

To sum, Smith is about to conduct an economic analysis of the problem of dearth from the perspective of the different social classes representing productive society. To be sure, "Smith's *Discourse* set out to circumvent the problem that every

sedition. Though aware of the economic distress that underlay the rebellions, they found it necessary to appeal [...] to the duty incumbent upon all members of the commonwealth to submit to authority and to preserve due order and degree," in Arthur B. Ferguson, "The Tudor Commonweal and the Sense of Change," *Journal of British Studies* 3, no. 1 (November 1, 1963): 13-14.

258. Smith, *Discourse of the Common Weal*, 93/13.

259. "Commonwealth: The Social, Cultural, and Conceptual Contexts," 672.

260. *Ibid.*, 672.

rank, trade and occupation tended to blame every other group for everything that appeared to go wrong.”²⁶¹ Nevertheless, this form of analysis is an inchoate but noteworthy breakthrough nearly 200 years before Quesnay’s *Tableau Économique* would formalize the analysis of the productive economy from the perspective of social relations.

Mid-sixteenth century popular rebellion and John Hales’ Commission on Enclosures

The dialogue opens with a reference to the Commission on Enclosures of 1548, which visited several sites of protest against enclosures during the riotous summer of 1549. Based on an analysis of the choice of capper to represent skilled artisans, Smith’s *Discourse* is most likely set in the town of Coventry, although the most serious rebellion of this year was Kett’s Rebellion in Norfolk.²⁶² Edward VI blamed the commissioners, such as liberal M.P. John Hales, of fomenting rebellion and giving cover to the peasants.²⁶³ Regardless, “this commission, which aroused so

261. David Rollison, “Discourse and Class Struggle: The Politics of Industry in Early Modern England,” *Social History* 26, no. 2 (May 1, 2001): 177.

262. “In Coventry, however, a capper might well stand for a well-to-do artisan, for in this city cap-making was a great and important trade,” E. LaMond, ed., Smith, *Discourse of the Common Weal*, 20/xvi.

263. Agrarian uprisings occurred “because certain commissions were sent down to pluck down enclosures,” Edward VI, *Chronicle*, 12-13; cited in Jennifer G. Loach, W. Bernard, and Penry Williams, *Edward VI*, (Yale University Press, 1999), 85. In his own defense, Hales observed that there were uprisings in places where the commission did not visit, as well as uprisings before the commission’s arrival elsewhere: see Loach et al., *Edward VI*, 85.

many hopes, had no result. The nobles were too powerful.”²⁶⁴ Enclosures were eventually legally codified in the “Enclosure Acts,” passed from 1710 to 1843, all of which sanctioned the expropriation of land from peasants in favor of large seigniorial estates.

Even if in 1549 the Commission could not bring relief to peasants, the uprisings were an important expression of popular politics. Andy Wood locates 1549 “at the juncture of late medieval and early modern popular political cultures.”²⁶⁵ By this he means that the rebellions at mid-century had much in common with previous, late medieval uprisings, including the Peasants’ Revolt of 1381, and insurrections in 1450, 1469, 1489, 1497, 1525, and 1536-7.²⁶⁶ Such continuities included forms of peasant organization, popular rhetoric, political goals, as well as the political memory of revolt in geographical hotbeds of recurring tumult. At the same time, Wood discerns a break between 1549 and previous instances of discontent, the most important being that late medieval peasants rebelled against feudalism, whereas 1549 expressed the social dislocation associated with the emergence of agrarian capitalism. On my analysis of Smith’s *Discourse of the Common Weal*, it will become clear that Wood’s assessment is more or less correct that 1549 complaints about enclosures reflected at least one aspect of the transition to agrarian capitalism but not another. Whereas it is abundantly clear that the *Discourse* explicates the socio-historical

264. Emile De Laveleye, *Primitive Property*, (Kitchener, Ontario, CAN: Batoche Books, 1999), 139; first published: (London, Macmillan and Co., 1878), ProQuest ebrary.

265. A. Wood, *The 1549 Rebellions*, Introduction.

266. Ibid., Introduction.

condition of possibility of qualitatively different social relations of production that would eventually lead to agrarian capitalism, there is little evidence that Smith, at the time of writing the *Discourse* in 1561, was aware of any concrete instances of actual capitalist production. In other words, the historical appearance of (capitalist) social relations was apparent to him, but the mode of production itself was not.

Aristotelian Prime Cause as indicative of Smith's mechanistic form of analysis:

Commonwealthmen like Smith tended to think in terms of an Aristotelian Prime Cause, which is how Foucault probably should have characterized any emphasis by Smith that monetary practices were the prime cause of England's woes. But Smith seems to have been groping for a way out of this dilemma, and it is precisely this diagnostic and prescriptive effort that is interesting and novel about his economic thought. Neal Wood explains how Smith's proposals for economic reforms "dealt almost exclusively with the revival of manufacturing."²⁶⁷ Within the general mercantilist principle of the need to maintain a favorable balance of trade, Smith's *Discourse* sought a mechanism of domestic economic production that reflected the material exigencies of England at the time. "What was needed was policy that took [their] interrelatedness into consideration... The Knight could enclose his estate and tap into the profitability of wool growing, but it was illogical for him also to oppose

267. N. Wood, *Foundations of Political Economy*, 226.

the development of industry, which provided employment for those who left or were forced from the land.”²⁶⁸

He showed no interest in those occupations that had no effect on the movement of money into or out of the country, such as

victualers, innkeepers, butchers, bakers, brewers, tailors, saddlers, mason, coopers. But he was particularly anxious about those tradesmen and merchants—merciers, grocers, vintners, haberdashers, milliners, apothecaries, fustian sellers, among others, who relied on the sale of imported goods, thus exhausting the treasure of the realm.²⁶⁹

He even went so far as to propose municipal policies that would help create the manufacturing social relations that Marx would later argue were the basis of the period of Manufactures that Adam Smith observed to formulate his concept of division of labor.²⁷⁰ Many items imported from abroad could be manufactured at home, and to incentivize artisans to do so,

Government needed to encourage artisans skilled in these crafts and in making goods to be sold on the export market [such as caps and hats, gloves, girdles, thread, purses, lace, glass and glasses, baskets, cutlery, needles and pins, and tools of all kinds as well as the occupations of tanning, turning, goldsmithing, blacksmithing, and forging] to settle and ply their trades in towns. In order to attract new craftsmen a town might offer them its freedom, even though they might not have served their apprenticeship there, and perhaps a rent-free house or some stock to be loaned from the common stock of the municipality.²⁷¹

268. Rollison, “Discourse and Class Struggle,” 177.

269. N. Wood, *Foundations of Political Economy*, 226-7.

270. Rollison goes even further: “Throughout the sixteenth century, the English cloth industry was represented as a political force that could not be disbanded without doing untold damage to the commonwealth... When the clothiers and weavers were as one, as in Deloney’s model, ‘the cloth interest’ could make its present felt. Thus we have the construction, in sixteenth-century England, of a new discourse of industry,” Rollison, “Discourse and Class Struggle,” 188.

271. N. Wood, *Foundations of Political Economy*, 227.

It's not true, then, that Smith was merely interested like many other Commonwealthmen in how to reform the country to make it more Christian or moral²⁷²; rather, "he was a secular analyst of social forces and their harmful effects, a proponent of constructive policies designed to curb them."²⁷³ But more importantly for our critique of Foucault's account of the *Discourse*, it's also not true that Smith's economics was single-mindedly driven by a resemblance between money and gold and silver's intrinsic worth.

Ideological context of A Discourse of the Common Weal

The English Commonwealthmen, including Thomas Smith, heeded the call for intellectual reflection on the ills plaguing the island. They attempted to identify the causes of universal "dearth," and they sought solutions to socio-economic problems. Smith's effort, in particular, stands out from other explanations: on the one hand his economic thought is advanced insofar as he adopts an economic conception of the state; on the other hand, his ideological stance suggests a reformist agenda.

Town and country middling classes were attracted to metaphysical explanations for "God's Three Arrows" of dearth, plague, and the sword, the solution to which was repentance.²⁷⁴ Such metaphysical causes probably served to deflect a critical eye away from this class's intermediary social role between the poor and

272. "The preachers—Latimer, Becon, Lever—were more concerned with spiritual revival and moral regeneration than with proposing concrete social and economic policies," N. Wood, *Foundations of Political Economy*, 5.

273. Ibid., 220.

274. Walter and Wrightson, "Dearth and the Social Order," 28.

representatives of the state and church.²⁷⁵ Interestingly, weather was rarely invoked by anybody as an immediate cause of harvest failure.²⁷⁶ Popular explanations of dearth among the poor tended to blame dearth on enclosures and the villainy of men. This long-held explanation probably explains why grain riots were not more frequent than they were in times of food shortage, since “it suggested remedial action of a different kind”²⁷⁷ regarding land management, not an immediate redistribution of grain stocks. The State, for its part, tended to reinforce ancient prescriptions of just prices and social harmony by blaming “evill disposed persons unthankfull to God and without pity towards poore men, [who] by their engrossing of grayne and other abuses will make want amidst plentifulness.”²⁷⁸ Since this explanation could foment violence against the perceived evil-doers, the State also instructed the Church to preach to the people “to indure this scarcity with patyence.”²⁷⁹

Against this varied ideological backdrop, that of the Commonwealthmen reflected a reformist agenda. They were not social radicals calling for major transformations of English society. Although prone to nostalgic yearning for a return to the social conditions of Henry VII’s reign, they gained “a new sense of time and place, and a new feeling for the relativity of human institutions.”²⁸⁰ Interestingly, since government was one such institution, they also appreciated “to a greater extent than their predecessors the positive role of government among the forces of

275. Walter and Wrightson, “Dearth and the Social Order,” 29.

276. *Ibid.*, 28.

277. *Ibid.*, 30.

278. *Ibid.*, 31. (Primary source is uncertain.)

279. *A.P.C., 1596-1597*, 383-6; cited from *ibid.*, 34.

280. Ferguson, “The Tudor Commonweal,” 12.

change.”²⁸¹ Nevertheless, all in all, “their gloom, protest, and insistence on change appeared to be amply justified by social conditions, even if [such conditions] were often inaccurately described or exaggerated.”²⁸²

As we will see, Smith in the *Discourse* will consider but reject the theory that blamed enclosures for dearth, preferring instead a monetary analysis assigning blame to debasement of the coin. That Foucault relies solely on Smith’s view to represent the English economic thought of the sixteenth century means his account not only fails to demonstrate the inconsequentiality of class perspectives but actually adopts an elite explanation over and above a plurality of voices contending with one another.

Neal Wood’s *Foundation of Political Economy: Some Early Tudor Views on State and Society* (1994) is one of the better studies of this period. He argues:

The intellectual foundations of political economy [...] were laid in early Tudor times. For it was then that a number of reform-minded individuals from Fortescue to Thomas Smith, in response to grievous social and economic ills, began to fashion an economic conception of the state crucial for subsequent social and political speculation in England.²⁸³

To say that an economic conception of the state was crucial for subsequent *speculation* is to say that Tudor economic thought provided an initial opening at the level of abstraction for insights into social dynamics that were specifically economic in character. This inchoate appearance of the field of economics included a conception of the economy as operating according to its own mechanisms, as opposed

281. Ferguson, “The Tudor Commonweal,” 12.

282. N. Wood, *Foundations of Political Economy*, 6.

283. For more on Thomas Smith’s political thought, see N. Wood, *Foundations of Political Economy*, 194-203.

to reflecting natural law or some other divine mandate. Furthermore, it was only in consideration of these mechanistic ideas of economic activity that certain state policies should be implemented.

Textual analysis of enclosures in A Discourse of the Common Weal: the “liberation” of agrarian peasants in the social relations of production

It is important to analyze in greater detail the issue of enclosures in the *Discourse*. The problem of enclosures is immediately foregrounded at the outset of the dialogue. The characters argue that enclosures are the cause of dearth. By dearth Smith meant at times scarcity of goods but on other occasions a rise in prices. It lacks a single, specific definition; more specifically, Smith uses the term to mean scarcity of goods when he is trying to explain the phenomenon of inflation, and, vice versa, he uses the same term to mean a rise in prices when he analyzes lack of supply.

The initial salvo pits the knight in a position of casting doubt on enclosures as the cause of dearth—this is no surprise since his class is responsible for and is benefitting from enclosures. The other characters are assuming that enclosures are the cause of dearth. Throughout their exchange, the Doctor is silent, listening intently.

The husbandman starts the complaint against enclosures:

Husbandman. ...these inclosures doe undoe vs all, for they make vs paye dearer for our land that we occupie, and causes that we can haue no land in maner for oure money to put to tillage; all is taken up for pastures, either for shepe or for grasinge of Cattell. So I haue known of late a docen plowes with in lesse compasse then 6 myles aboute me laide downe with in these yeares; and where xl [40] persons had their lyvinges, nowe one man and his shepard hathe all. Which thinge is not the least cause of these uprors, for by these inclosures men doe lacke

livinges and be idle; and therfore for verie necessitie they are desirous of a change [...] howe soeur it befall with theim, it can not be no harder with them then it was before. Moreover all thinges are so deare that by theire daily labour they are not able to live.²⁸⁴

In this remarkable passage, the knight points to several aspects of enclosures that Marxist historians will observe as the tectonic shift in English agrarian social relations.²⁸⁵ First, even if peasants had money to invest in autonomous subsistence production and survival, there was no land for them to do so because it has been enclosed--“all is taken up for pastures.” Note that prior to the eventual transition to agrarian capitalist production of agricultural commodities, enclosed land was most often used for pasture “either for shepe or for grasinge of Cattell.” Still, the husbandman observes how over a dozen plows that had been used on the land are no longer there, and whereas forty (“xl”) peasants once gained their livelihood from the land, now only one shepherd does. Furthermore, the desperation of those peasants who’ve been forced off the land is apparent to the husbandman. Not only are they desperate for something to change “howe soeur it befall with theim,” their current plight is such that “by theire daily labour they are not able to live.” This captures the ambiguous form of social “liberation” of which Marx spoke when he explained that the self-producing peasant population’s means of subsistence was expropriated, thus liberating them to become wage labor.

284. Smith, *Discourse of the Common Weal*, 95/15.

285. See Aston and Philpin, eds., *The Brenner Debate*; esp. Robert Brenner’s contribution, which first appeared as, “Agrarian Class Structure and Economic Development in Pre-Industrial Europe,” *Past & Present*, no. 70 (1976): 30–75.

The capper, speaking on behalf of skilled artisans, then explains how the late medieval guild system, too, is under stress. In their case, “we that are artificers can kepe few or no prentices like as we weare wonte to doe. Therfore the citie, which was heartofore well inhabited and wealthie, is fallen for lacke of occupiers to greate desolation and povertie.”²⁸⁶ Without saying so much, the capper makes clear that a certain number of individuals who would have become apprentices under skilled artisans were also being liberated from their personal means of feudal production. The merchant then has a word, in which he testifies to the general rise of prices not only in England but also internationally: “for theare is suche a general dearthe of all thinges as I neuer knewe the like, not only of thinges growinge within this Realme, but also of all other merchandise that we bye beyonde the seas, as silks, wyne, oyles,...”²⁸⁷ If inflation is a general European phenomenon, what might account for the peculiar form of agricultural production that would eventually develop in the English countryside?

Again the landowning knight provides a prescient insight into the very earliest political economic dynamics of agrarian capitalism—what Marx would call primitive accumulation. After hearing from the husband, capper, and merchant about how universal dearth has negatively impacted these groups, the knight presents his case for why landowners are the most aggrieved. He argues that though “the price of thinges weare risen of all hands, youe may and doe raise the price of youre wares, as the price

286. Smith, *Discourse of the Common Weal*, 96/16.

287. Ibid.

of victualles and other necessities doo rise. And so can not we so much.”²⁸⁸ In other words landowners live primarily off the land, they have no “wares” to sell, and must therefore raise rent to maintain their households in response to the rising costs of goods; the knight believes that the capper, merchant, and husbandman are at least breaking even despite inflation because they are able to raise the price of the goods they sell.²⁸⁹

The knight then makes a claim to ancient property rights, thus justifying the enclosures and any increase in rent or other fines that he may charge on the newly acquired lands:

though it be true that of suche lands as come to oure hands, either by purchase or by determination and endinge of suche termes of yeares *or other estates that I or my auncestor had granted thearin in times past*, I doe either receive a better fyne then of old was vsed, or enhaunce the rent thereof, beinge forced therto for the chardge of my howshold that is increased over that it was...[emphasis added]²⁹⁰

The nobility’s claim to ancient privileges over the land was either grounded in or parallel to their fundamental political belief in an ancient constitution that established a timeless and unchanging feudal law. Nobility used the claim of an ancient constitution against their perception of a threatening and

288. Smith, *Discourse of the Common Weal*, 99/19. More precisely, the knight says landowners suffer the loss of a third of their income: “And therefore we are forced either to minyshe the third parte of our houshold, or to raise the thirde parte of oure Revenues” (100/20).

289. For an analysis of rent rates and their impact on inflation, see Eric Kerridge, “The Movement of Rent, 1540-1640,” *The Economic History Review*, New Series, 6, no. 1 (January 1, 1953): 16–34. doi:10.2307/2591018. “The causes and effects of inflation were complex rather than simple, but the steep rise of rents was important to both” (34).

290. Smith, *Discourse of the Common Weal*, 99/19.

authoritarian monarchy.²⁹¹ Smith's *Discourse* provides evidence that the notion of ancient privileges was also used against lower classes to justify enclosures, rent increases, and "better fynes."

On the relationship between inflation and changing social relations

Smith's questions about money were influenced by ideas regarding value, including the paradox of value, but eventually the quantity theory of money made its way into his text. Specifically, Smith recognizes that the paradox of value cannot account for the general inflation plaguing England during the second half of the sixteenth century: "There was neuer more plentie of cattell then there is nowe, and yet it is scarcitie of thinges which commonly maketh dearth. This is a marvelous dearthe, that in such plentie cometh, contrary to his kynd."²⁹² Dearth in this instance of Smith's usage is clearly referring to inflation and not lack of supply. It was not until the second, 1581 version of the *Discourse* that a more definitive answer to the problem of inflation was found in the quantity theory of money. This incorporated Bodin's influential theory that an increase in the supply of American silver was the cause of inflation throughout Europe.

A monetarist account of the relation between the Price Revolution of the sixteenth century and the transition to capitalist production would most likely argue that since inflation ("dearth") caused the enclosures, and enclosures helped pave the

291. J. G. A. Pocock, *The Ancient Constitution and the Feudal Law: A Study of English Historical Thought in the Seventeenth Century: A Reissue with a Retrospect*, (Cambridge [Cambridgeshire]; New York: Cambridge University Press, 1987).

292. Smith, *Discourse of the Common Weal*, 117.

way towards agrarian capitalism, it follows that inflation was the cause of agrarian capitalism. However, this would be jumping over several aspects of a necessary and more rigorous socio-historical analysis. On the one hand, as the merchant made clear, inflation was not strictly an English phenomenon but true “beyonde the seas” as well, and yet agrarian capitalism was a peculiarly English development, thus casting doubt on the sufficiency of inflation alone as the historical cause of the transition to capitalism. On the other hand, it is true that enclosures must have had an historical and more or less rational cause, but even if the probability were high that inflation was a cause of the enclosures²⁹³, it would be a *non sequitur* to conclude that inflation therefore also caused capitalist production. In fact, as the husbandman said, the first purpose of enclosures was to create more pastures for sheep and cattle, not to put

293. A cautionary note is in order regarding the specificity of historical causes and dynamics of enclosures from one locale to another because “generalizations hardly do justice to the variety of field systems which must have existed in a county [Devon] with so many different and distinctive farming regions” (H. S. A. Fox, “The Chronology of Enclosure and Economic Development in Medieval Devon,” *The Economic History Review*, New Series, 28, no. 2 (May 1, 1975): 182. doi:10.2307/2593483). Fox’s in-depth study of enclosures throughout the Middle Ages in the county of Devon—which Smith’s *Discourse of the Common Weal* states “wheare most inclosures be” (Smith, *Discourse of the Common Weal*, 49)—sheds light on such differences. In the south Devon village of Stokes Fleming, enclosures “may be interpreted as a rationalization of farm structure by a dwindling community of arable farmers; its timing was in large measure determined by trends in the village’s demographic history” (192); meanwhile, in the east Devon village of Axminster, available source material paints a picture of “a mixed farming economy” (193) of crop production amid a growing pastoral sector that supported the nascent textile industry. In other words south Devon exhibited signs of economic decline whereas east Devon characterized “an evolving and essentially buoyant economy” (194). But even with this cautionary note, my argument that the most plausible causal explanation of enclosures is not the same thing as the cause of new forms of agrarian capitalism stills stands.

human wage labor to productive use. It is therefore more accurate and logically persuasive to say that enclosures were the historical condition of possibility of a qualitative transformation in social relations of production. Changes in the social relations cannot be explained by inflation; rather, enclosures caused the loss of means of personal economic subsistence for peasants, which socially “liberated” them for future exploitation under different economic conditions. To conclude, the dramatic change in social relations as a result of the expropriation of peasants created an initial fund of agrarian wage labor, which is one of the necessary factors—from the labor side—for agrarian capitalism.²⁹⁴

Conclusion

Enclosures are the key to understanding the historically significant change in English social relations that would set it on a course for agrarian capitalist production. This future trajectory in and of itself does not necessarily undermine Foucault’s archaeological study of sixteenth century economic thought because he is specifically focused on the conditions of thought contemporaneous to this period. However, it should be clear by now that enclosures were not only an historical event experienced by the agrarian poor in the English countryside “Enclosures” was also a critically important economic concept for all social classes dealing with and attempting to

294. I am indebted to Robert Brenner’s argument concerning the social conditions for the transition to agrarian capitalism. See Brenner, “Agrarian Class Structure,” *Past & Present*, no. 70 (1976): 30–75.

diagnose the cause of “universal dearth.” This is the concept contemporaneous to the period that Foucault neglects to address in *The Order of Things*.

The 1549 popular protests in response to enclosures was the setting of Smith’s dialogue. It would be absurd to suggest that societal breakdown was not at the forefront of Smith’s concerns. Smith’s moderate prescription to the social crisis relied on the conceptual nexus of Commonwealth social balance and responsibility, the Ciceronian concept of *res publica*, and a monetarist approach to management of the currency, as well as the need to foster manufacturing as an outlet to the frustrations of those displaced by enclosures. Foucault’s narrative is able to account for careful management of the currency, but this skin-deep analysis does not take advantage of all the tools that an intellectual historian has at her disposal to grasp the totality and complexity of the history of ideas.

Missing from Foucault’s narrative is the slow and uneven yet steady transition towards the specific social relations necessary for the eventual success of the capitalist mode of production, and how this social process was reflected in forms of thought, analysis, as well as the anxiety of the age. This transition should not be conceived as a “natural” social process or simplistically as a loosening of restrictions holding back the individual’s freedom. Thomas Smith’s *Discourse of the Common Weal* makes all too clear that there was nothing natural about enclosures in Tudor England, and it is devoid of any significant conception of the rights of individual man. Rather, Smith is exposing the political process of primitive accumulation for

what it was, riven by the use of force, violence, and the appropriation and maintenance of surplus wealth by one or more classes against others.

Foucault would eventually turn to the question of the state in his 1970s lectures on liberalism and governmentality, but in the *The Order of Things* his refusal to read the history of economic thought in the fullest context of the time—political, economic, and ideological—set myopic constraints on his contribution to the literature. His failure to consider the impact of enclosures on economic ideas in Tudor England meant his approach to the history of economic thought would be void of an essential concept of political economy: the social relations of production, which were no doubt on the mind of those like Thomas Smith. The difference between Smith's conception of social relations and ours today is the difference between a category of thought in its infancy versus developed: Smith was living through and an eye witness observer to the changing social relations that would eventually form the basis of agrarian capitalism, thus his conception of social relations is concrete and direct yet simultaneously abstract. That his conception of social relations was concrete and direct is self explanatory; it was abstract because "social relations" as a category lacked any logical relation to a set of other concepts within a theoretical paradigm that could explain a phenomenon apposite to that theory. In other words his notion of social relations was premature, which allows the conclusion that he benefited from having the concept even if he did not use the term "social relations" in his text. The methodological critique is that Foucault does not grasp the complexity of the problem of abstraction in the study of intellectual history, which hinders his characterization of

the form of conceptuality at stake. The specific result is that *The Order of Things* adopts a strictly monetarist account of early Modernity.

Although Smith's *Discourse* does not ground its analysis in the class structure of society or the social relations inherent to the mode of production, it is possible to detect in his secular analysis of the economy the category of social relations in abstract form. This is important because Smith's work provides evidence not of epistemic discontinuity with the sixteenth and seventeenth centuries but in this instance of gradual developments of the kind that Foucault is so loath to acknowledge. While the concept of Commonwealth may have been a medieval ideal—which helps to explain the nostalgia that runs through much of the Tudor literature—those who drew upon this historically dominant concept nevertheless paved new ground in a form of social thought that “no doubt made it easier for those who came after them to complete the journey”²⁹⁵ to modernity. This included differences in social perspective based on one's station in life, which can be attributed in part to systemically significant changes in the social relations of production of which Thomas Smith was a first-hand observer. Socially differentiated perspectival differences—that is, the relativity of social thought—spawned the need for greater attention to justification of one's ideas, regardless of political and ideological persuasion. Such were the nascent developments at the level of abstraction that defied category-specific articulation in language. Indeed, these difficult to discern inroads in abstraction made the formation of the simple yet general categories of thought

295 Ferguson, “The Tudor Commonweal and the Sense of Change,” 35.

possible, such as utility, labor, and value (about which we will learn more in the chapter two).

If what I argue here is reasonable—that developments in the abstraction of social conditions during the sixteenth century were a condition of possibility for the historical formation of more specific, linguistically articulated scientific categories of analysis—then it is untenable to agree with Foucault that there was a complete epistemic break in economic thought between the sixteenth century and the following period. It furthermore suggests the untenability of Language as a paradigm for historiographical research and intellectual history.

Gresham

In one particular passage, Foucault comes across as having made an important and original observation about the unity of sixteenth century texts, but it is quite likely that he simply took some information from Le Branchu's introduction without proper attribution. Foucault states that "The fact that coinage circulates all the quicker for being less good, whereas coins with a high percentage of metal are hoarded and do not take part in trade: this is what was called Gresham's law[4], and both Copernicus[5] and the author of the *Compendious*[6] were already aware of it." (Where numbers in brackets refer to Foucault's endnotes in *OT*.) These three footnotes refer the reader to the original works by these authors,²⁹⁶ but in fact all of this information, including even the references to the original works, are given on

296. See Foucault, *OT*, endnotes on page 211 and the footnotes for the same references in *Les mots et les choses* on page 182.

page LVI of the Introduction to *Écrits notables*. Le Branchu explained it for Foucault that Gresham is known “especially as the creator of the law that bears his name,” even though “Copernicus had already formulated” it in a scientific fashion, and it appears “likewise in the *Compendieux et bref examen*.” Thus it’s actually impossible to know how closely Foucault read or how much thought he gave to Gresham’s Law, even though *The Order of Things* gives a strong impression that he formulated this relationship among Copernicus, the *Compendieux*, and Gresham on his own.

Malestroit and Bodin and the Quantity Theory of Money

Meanwhile, back in France, which experienced neither the rise of new merchant class competition in international trade nor successive rounds of enclosure of domestic land, economic concepts were not pushed beyond consideration of the definition of money. Money remained the fulcrum of analysis in France because other major changes in the economy like enclosures were of no concern.²⁹⁷ At the same time, the French economy from 1550 on was being devastated by steady inflation. For these reasons it was in France that an important breakthrough was achieved regarding the concept of money. Foucault rightly targets precisely this in his analysis of the debate between Malestroit and Bodin, though he downplays this relation between different conceptual fields and their respective surrounding social milieus.

297. This is something of an oversimplification, for Bodin countered Malestroit not only by reference to a quantity theorem of money but also, in his capacity as an early political philosopher of absolutism, by discussion regarding monopolies, deprivations, and court expenses; for more see Schumpeter, *HEA*, 312.

It is not as if ideas between France and England failed to cross the Channel; they did. Rather, national trends remained different and uneven from the sixteenth century, which is something the Foucauldian analytic tends not to take into account. For example, the following evidence exists to suggest that the French Bodin influenced latter versions of the English *Discourse of the Common Weal* at the time of its actual publication in 1581, which moved the latter closer towards the chrysohedonist position. Schumpeter observed a difference in content from the various versions of the *Discourse*: The 1581 edition was the one that formed the basis for all further reprints and translations in 1751, 1808, 1813, and 1876. However, this version differs in at least one important respect from the earliest known manuscript from 1565: regarding the hypothesis of the causes of a general rise in prices, in 1565 the *Discourse* only mentions the “deterioration of the coinage,” whereas in 1581 it “also mentions the increase in the supply of the precious metals.”²⁹⁸ It was the 1581 version that Foucault cites as justification for his notion that European epistemic conditions had been static throughout the century, a claim that is wrong on both temporal and geographical accounts.

The debate between Malestroit and Bodin is noteworthy because it led to a conceptual breakthrough of considerable importance in the history of economic thought; namely, that precious metals were commodities just like the commodities for which they served as a medium of exchange. As Foucault notes, it became “clearly

298. Schumpeter, *HEA*, 166, note 10 (both quotes).

apparent that [money] is subjected to the same variations as all other merchandise.”²⁹⁹

Malestroit had claimed that gold and silver prices in Europe had not risen for 300 years.³⁰⁰ Foucault correctly points out that the basis of Malestroit’s argument is successive debasements of the currency, not a change in the overall quantity, or total supply, of money. Bodin’s rejoinder, directed explicitly against Malestroit just a couple years later in *La Réponse aux paradoxes de M. de Malestroit* (1568), was that inflation was a direct result of an increase in the supply of silver from the Americas. Whereas Malestroit blamed inflation on debasements, Bodin countered that it was due to an increase in the supply of metals.

Most historians give scant attention to Malestroit in favor of Bodin since the latter can be credited with the more significant breakthrough of formulating a quantity theory of money. Foucault does better on this account by placing the two in a tight relationship, based not so much upon their conceptual to-and-fro but rather his own general system of resemblance:

The mark that distinguishes money, determines it, renders it certain and acceptable to all, is thus reversible, and *may be construed in either direction*: it refers to a quantity of metal that is a constant measure (which is the construction Malestroit puts upon it); but it also refers to certain commodities, variable in quantity and price, called metals (which is Bodin’s reading of the matter). [Emphasis added]³⁰¹

299. Foucault, *OT*, 171.

300. This is the first of two “paradoxes” in *Le Paradoxe sur le fait des monnaies* (1566). See Malestroict, Jehan Cherruyt, *Les paradoxes dv Seignevr de Malestroit, conseiller du Roy, & maistre ordinaire de ses coptes, sur le faict des monnoyes, presentez à sa Maiesté, au mois de Mars, M.D.LXVI. Avec la response de Iean Bodin audicts paradoxes*. Reueue, corrigee, & augmentee de nouveau / par ledit Bodin, (Paris, 1578), *The Making Of The Modern World*, Web.

301. Foucault, *OT*, 171-2.

As seen here, Foucault's notion of epistemic condition renders the conceptual differences between Malestroit and Bodin moot in so far as they "may be construed in either direction." The common denominator that matters is thought's structuring *a priori*. This is how Foucault neutralizes all polemic as well as ideological differences. The productive tension inherent to oppositional thought bears no relation to or impact upon a methodological or philosophical definition of Foucault's episteme, thus the epistemological concern hangs over and determines the history of thought with unattached ease.

But there is more to consider with respect to this debate's contribution to the history of economic thought. At least two things are worth highlighting. First is how a strictly monetary concern, which is how the debate unfolded, was able to identify to a limited degree the autonomy of the economic sphere of social existence. The separation of the economic from the political and other domains of society, in other words. This follows upon the same limited degree to which Copernicus's short tract on money just a few decades earlier perceived the insidious and sometimes slow-moving effects of economic crises as opposed to more obvious political catastrophes like war. The second noteworthy element in Malestroit's text is a form of analysis that he believed was necessary yet difficult for the typical Renaissance mind to grasp: the difference between the mere appearance of a problem and its true substance or essence.

Both of these elements of Malestroit's economic thought can be linked to his use of the "paradox" genre and form of argument. His 1566 essay, *Le Paradoxe sur le*

fait des monnaies, was written in the French vernacular and intended for the king, Charles IX, as well as all others affected by the increase in prices. It aped a common form of satirical writing in France called “paradoxes.”³⁰² But there was nothing satirical about his study of money and, indeed, he was the first to use the paradox image to discuss matters economic.³⁰³ The paradox is twofold: it is due in part to the fact that money is too complex for most people to understand even though slight changes in it affect nearly everyone³⁰⁴, and, more importantly, it is a result of the appearance of a rise in prices when in fact, according to his analysis, real or true prices have remained the same for 300 years. This aspect and depth of his analysis, it should be noted, is directly opposed to Foucault’s notion of resemblance.

With respect to the second innovation in Malestroit’s analysis—the difference between the appearance and essence of a problem—it might be said that this distinction was more of an outcome of his argument, not one of the secrets of its

302. Agnieszka Steczowicz, “Renaissance Monetary Paradoxes: The Malestroit-Bodin Controversy,” *Renaissance Journal* 2, no. 4 (June 2005), 49-60. Steczowicz cites the following examples from the genre of “paradoxes” on the second page, note 4: Andrea Alciato, *Paradoxorum ad Pratum libri sex* (Milan, 1518) in law; Leonhard Fuchs, *Paradoxorum medicinae libri tres* (Basle, 1535); Laurent Joubert, *Paradoxorum decas prima atque altera* (Lyon, 1566) in medicine; and Sebastian Franck, *Paradoxa ducenta octoginta* (Ulm, 1534) in theology. The best-known study of Renaissance paradoxes is still Rosalie Colie’s *Paradoxia Epidemica: The Renaissance Tradition of Paradox* (Princeton: Princeton University Press, 1966). For a survey of different kinds of paradoxes in the period, see Letizia Panizza, ‘The Semantic Field of “Paradox” in sixteenth and seventeenth Century Italy: From Truth in Appearance False to Falsehood in Appearance True. A Preliminary Investigation’, in *Il vocabolario della République des Lettres. Terminologia filosofica e storia della filosofia. Problemi di metodo* (Florence: Leo S. Olschki Editore, 1997).

303. Steczowicz, “Renaissance Monetary Paradoxes,” 2.

304. Malestroit is said to have complained about this in his memoirs. See Steczowicz, “Renaissance Monetary Paradoxes,” 4.

success.³⁰⁵ For if his argument is that prices have not, in fact, gone up in hundreds of years, then it must follow that the perception of inflation is just that, “a vain opinion, or a picture without effect or substance.”³⁰⁶ Nevertheless, the burden is upon him to persuade his readers that the appearance of the problem is not real and that the essence of the issue resides in the complexity of monetary dynamics that evade casual observations. It’s true that Bodin will offer fairly commonsense arguments against Malestroït, but the point here is that Malestroït’s form of analysis differentiated the perception of inflation from its truth. Such a distinction could not have been possible under strict conditions of resemblance.

Davanzati’s Subjective Utility Theory of Value, Nominalism, and the Limits of Resemblance

Foucault concludes his coverage of sixteenth century economic thought with his longest economics citation from the Florentine writer Bernardo Davanzati’s *Lezione delle monete* (1588).³⁰⁷ He makes much of a single passage³⁰⁸ in which he interprets Davanzati as establishing a relational resemblance from “the microcosm to the macrocosm”³⁰⁹ that grounds the ratio of the total value of the Earth’s metals to the sum total of all merchandise and everything else desired by men. Without

305. Malestroït’s analysis became the basis for the Royal Edict of 1577.

306. Malestroït, *Les paradoxes sur le faict des monnoyes*, 8.

307. Bernardo Davanzati, *Lezione delle monete*, 1588, transl. John Toland, *A Discourse upon Coins*, (London: Printed by J.D. for Awnsam and John Churchil, 1696), <http://uclibs.org/PID/126171>.

308. Foucault, *OT*, 172. From Davanzati, *Discourse upon Coins*, sections 13-14.

309. Foucault, *OT*, 172.

equivocation, Foucault interprets Davanzati as meaning this ratio entails an “absolute correspondence,”³¹⁰ and it is this absolute correspondence wherein resemblance operates as the epistemic condition of all thought in Davanzati. So sure is Foucault of the significance of this passage that its placement is meant as a kind of coda to his entire analysis of the Renaissance in general.

It is without doubt an interesting and elegant passage, but for reasons, I argue, other than those Foucault attributes to it. Its appearance in *The Order of Things* is another example of Foucault’s relatively restricted historiographical approach to the archive that results in a narrow comprehension of Davanzati’s economics. He is able to give an account of a passage that strikes a modern reader as odd or archaic, yet the oddity of the passage is given an interpretive weight it does not necessarily deserve. Can we offer a reading of *Lezione delle monete* that preserves Foucault’s sensitivity to its archaic spots—its brief moments of resemblance—while offering a superior overall meaning of the text as a whole? Honing our analysis to comprehend Davanzati’s text as a whole is one way to avoid linguistic reduction. My argument will demonstrate that Davanzati perceived prior philosophical and economic thought—in particular Aristotelian natural philosophy and a “prime cause”—as a parameter that had to be acknowledged before being relegated a diminutive role in the order of things. His text is about money, which means it could be called “metallist,” but his intellectual heritage was in tension with what he wanted to argue from the perspective of social conventions. Furthermore, it will be seen that Foucault misses

310. Foucault, *OT*, 172.

some of the more interesting conceptual aspects of Davanzati's *Discourse Upon Coins*, such as the strong case made for a subjective utility of value.

Similar to Copernicus's text, one does not have to read far to see an example of resemblance in *Discourse Upon Coins*, for it begins:

The Sun and Internal Heat do feperate, as it were by Diftillation, the beft Juices and Subftances in the Bowels of the Earth; which being percolated into proper Veins and Mines, and there congeal'd, grown folid, and ripen'd, they are in time made Mettals: whereof the moft rare and perfect are Gold and Silver, refembling the two great Luminaries of the World in Splendor and Colour.

This is last we hear of resemblance from Davanzati. More so, he immediately subordinates this physical theory of the origin of metals to the social dimension of their use by society, practically belittling Aristotelian natural philosophy in the process:

Now, Gold and Silver contribute very little in their own nature to our Lives [...] Yet Men, as if they would make Nature afham'd of this, have agreed to make thofe Metals of equal value to all other things, to make'em the Price and Measure of all, and the Inftuments of changing and exchanging whatever can be found good in this World. We may therefore call'em the fecund Cause of a happy Life...

The resemblance of gold to the sun and silver to the moon would have been Foucault's best example of resemblance in *Discourse Upon Coins*. Perhaps it would have also been too easy to criticize as not terribly significant? Instead, in *The Order of Things* he adduces a lengthy citation that gives the impression of an "absolute correspondence"³¹¹ between all the earth's metal with all other things. It bears worth quoting in full:

311. Foucault, *OT*, 172.

Nature made all terrestrial things good: the sum of these, by virtue of the agreement concluded by men, is worth all the gold that is worked; all men therefore desire everything in order to acquire all things [...] In order to ascertain each day the rule and mathematical proportions that exist between things and between them and gold, we should have to be able to contemplate, from the height of heaven or some very tall observatory, all the things that exist or are done on earth, or rather their images reproduced and reflected in the sky as in a faithful mirror. We would then abandon all our calculations and we would say: there is upon earth so much gold, so many things, so many men, so many needs; and to the degree that each thing satisfies needs, its value shall be so many things, or so much gold. [see the next paragraph for explanation of the underlined statement]³¹²

First, his citation may be a result of selective citing to meet his own interpretive bias, since his opening line is truncated to eliminate the notion that men's labour is how desires and wants are fulfilled: "All Men labour to become happy, and they think to find this Happiness in the Satisfaction of all their Wants and Desires, to answer which all Earthly Things were created very good."³¹³ In other words, Foucault's citation of Davanzati begins at precisely the point where he is able to emphasize the importance of gold in economic discourse, but in truth Davanzati introduces this thought by reference to both labor and utility. Labor is an economic concept that plays an important role in Foucault's account not until Adam Smith and David Ricardo; utility is an economic concept that is supposed to be 'created' only in the eighteenth century as a result of a new episteme in which people engaging in acts of exchange represent

312. Foucault, *OT*, 172.

313. Davanzati, *Discourse upon Coins*, 15. Furthermore, it is an error of translation, oversight, or perhaps a bad intention that the subsequent line emphasizing the consent of nations to establish gold's role as value is left out of Foucault's account: "Now all these by the Consent of Nations are worth all the Gold (comprehending also the Silver and Copper) that is wrought in the World. All Men then do passionately covet all the Gold..."

their needs and desires to each other. Neither labor nor utility can be explained by resemblance or similitudes, so Foucault must downplay them in his reading of Davanzati's *Discourse Upon Coins*.

More importantly, it is precisely Foucault's absolute correspondence between all the metals hidden under the earth and everything else of value that Davanzati calls into question or rejects. What Davanzati is actually doing in his "very tall observatory" and "faithful mirror" metaphors is not giving the law of resemblance as it pertains to metals as money, rather he's giving a hypothetical and false condition describing what one would have to do to determine the value of all things as a portion of all hidden gold. Davanzati offers an alternative. He says:

As many of thofe Desires as any thing can fatisfy, fo much it is worth of another thing, fo much Gold it is worth. But here below we can fcarce difcover thofe few things that are round about us, and we prize'em according as we fee'em more lefs defir'd at any time, or in any place; whereof the Merchants do carefully inform themfelves, and for that reafon they know the Prices of things better than all others.³¹⁴

This passage introduces Davanzati's relatively groundbreaking theory of a subjective utility theory of value of the consumer insofar as "we prize'em according as we fee'em." The knowledge of merchants who "do carefully inform themselves" about prices reflects this. This is very important. Foucault's analysis finds a meaning that is, if I'm correct, opposite of what Davanzati intended. There is a reason why Foucault would not want to read Davanzati in the manner I've presented. First, it would mean that he would have to concede that Davanzati in 1588 had a concept of value and utility, both of which Foucault argues have their genesis as an outcome of his

314. Davanzati, *Discourse Upon Coins*, 16.

Classical episteme in the following centuries. Value and utility cannot be in Davanzati—or more precisely utility cannot be determinative of value—because his work is supposed to be governed by resemblances between the intrinsic value of all the gold in the world relative to all the goods that people need. Furthermore, had Davanzati offered a utility theory of value, it would become questionable at best to think his tract did not influence the economic theory of his Italian counterparts who will also swim in the waters of utility theory, namely Montanari's *Della moneta* (1683) and Galiani's *Della moneta Encyclopedie* (1751). Yet this is precisely the conclusion that Foucault is forced to accept by dint of his epistemological breaks between periods.

Davanzati's text can only come across as a purely metallist economic theory if important sections are completely ignored. In truth, his economic thought reflects the growing influence of nominalist reasoning towards the end of the sixteenth century. This can be ascertained especially with respect to his thoughts about the relationship between the prince's *valor impositus* and the broader socio-economic context. Davanzati clearly invokes the prince's complete authority to coin metals into money; however, he goes even further by linking this authority to the consent of the community:

'Tis now time to give its Effential Definition. Money therefore is Gold, Silver, or Copper coin'd by publick Authority at pleasure, and by the Confent of Nations made the Price and Meafure of things [...] I faid Gold, Silver or Copper, becaufe People have chofen thofe three Mettals to make Money of.³¹⁵

315. Davanzati, *Discourse Upon Coins*, 12.

By “consent of nations” he does not mean nation-state. Being from the city-state of Florence, Davanzati probably had little insight into the historical constitution of the great nations in Western Europe at the time of his writing. He simply means the various communities of humankind that engage in trade with each other. The important thing, though, is that “people have chosen” to make money of these three metals and accept them as the price and measure of all things. This line of reasoning by Davanzati is evidence of his acceptance of the nominalist argument that socially arbitrary decisions by society can be meaningful and determinative. It words more or less directly against a belief in the intrinsic value of metals.

At one point Davanzati leaves open the possibility for—though it’s not recommended—a state to coin practically anything into money—“Iron, Lead, Wood, Cork, Leather, Paper, Salt, or the like (as it has fometimes happen’d)”—but metals are propitious and meet Davanzati’s “essential definition” because other states are more likely to accept gold, silver, and copper since they are the “Matter generally agreed upon.”³¹⁶ He sought to clarify this loophole by limiting the “at pleasure” authority of the state to coin anything other than the three metals, but this he did on grounds that coining other materials risks being a violation of “the publick Faith that ought to protect”³¹⁷ the people. Another element of Davanzati’s theory of money is that the public authority’s minting process and stamp is necessary “because few Metals are

316. Davanzati, *Discourse Upon Coins*, 13.

317. *Ibid.*, 14.

found altogether pure,” thus the state’s role is “to make Money therefore of equal Value.”³¹⁸

Davanzati adduces in one sentence the paradox of value—i.e., that corn is so essential to life but worth so little gold, or, as he observes wryly, that a golden calf is worth so much more than a real calf though it cannot feed anybody—but, interestingly, the paradox itself is not essentially important to him. Rather it leads him to the far more complex question how two unlike things obtain exchangeability at all. Davanzati is explicit: “From what Root springs it, that one thing is worth juft fo much of another, rather than fo much; worth this rather than that quantity of Gold?”³¹⁹ This is quite remarkable. The problem of exchange is not something that Foucault identifies until a century or more later. At this stage in history, Foucault’s analysis is still limited to scanning the archive for signs of resemblance. He finds it, though in the process he overlooks the fact that Davanzati’s analysis of money is leading him to an inquiry into the nature of exchange itself, and that furthermore “from what root springs” the nature of exchange is subjective utility.

In conclusion, Davanzati was not restricted to thinking in terms of similitudes. His writing reflected the slow but inexorable rise of nominalist reasoning in monetary analysis. It is a more satisfactory interpretation to discern the intellectual heritage that set parameters on his writing, all the while he pushed beyond its most limiting notions when they proved unable to answer difficult economic questions in light of the growth of commerce. At the very least Davanzati is exploring the implication of

318. Davanzati, *Discourse Upon Coins*, 13.

319. *Ibid.*, 15.

imperfect information in the economic sphere. At most he is arguing that this condition of imperfect information along with the growth of commerce calls for international norms of money regulation.

Conclusion to Chapter One: Early Modern Dynamism as the Initial Appearance of the Economic as a Distinct Social Sphere

Foucault's account of the history of economic thought during the sixteenth century is vulnerable to the charge of francocentrism for two reasons: his archival source was a French anthology, Le Branchu's *Écrits notables sur la monnaie*, the introduction to which proved to be a crucial source of information for Foucault's story. But the choice of this anthology, starting as it did with Copernicus's *Discours sur la frappe des monnaies*, proved to be arbitrary in the sense that Foucault attributed to it a particular form of discourse of resemblance that continued throughout the sixteenth century. In a detailed analysis of this and other texts from this period, I demonstrated the shifting paradigms of economic thought as scholastic reasoning was unable to account for persistent inflation. The second and more important reason why *The Order of Things* can be understood as francocentric is the manner in which Foucault treats Thomas Smith's *A Discourse of the Common Weal of This Realm of England*. While there is evidence that its 1581 version was influenced by Bodin's explanation of the Price Revolution as a result of an influx of metals from the Americas, leaving it at this is a highly reductive reading of this lengthy and lively dialogue that, upon closer examination, was shown to reflect the

peculiar socio-economic conditions of Tudor England. The special circumstances facing the English countryside at this time—which weighed heavily on Smith’s mind—was enclosures of the commons and their relation to the universal dearth of his day.

If Foucault had not gone out of his way to insist that the resemblance episteme was the sole condition of all knowledge during this period, this would not reflect negatively on his concept of history. But things being what they are, the preponderance of evidence points to a different conclusion. Resemblance was, indeed, one among other forms of thought at work in and influencing the sixteenth century. But it was not the only one; therefore, it cannot not be identified with the episteme itself.

If pressed to offer an alternative definition of episteme, it would seem important to point out that the main issues of sixteenth century economic thought cannot be interrogated without some prior knowledge of medieval theories. Achieving this requires an historiography that includes a close and contextualized reading of the archive in order to avoid the fallacy of cherry picking evidence, as well as an empirico-conceptual dimension of analysis that draws out from the minutiae of words in the archived texts the conceptual changes that were at stake.

The ability to abstract from the texts and from underlying historical conditions and relations is of crucial significance to achieve both of these forms of historical reasoning. Foucault’s positivism, which is based on his tendency to attach primary importance to the appearance of a word in the archive because he thinks of words

strictly as signs, effectively bars him from drawing on the insights of historical abstraction.

However, we should be careful when applying historical abstraction to the history of thought. The caution stems from a more precise consideration of what is meant by the “underlying” historical and conceptual stakes. A distinction is necessary—it is grey, not black and white—between an abstraction that identifies an idea, concept, or relation that can be said to form part of the *positive* knowledge during a previous era, even if agents lack a specific word-concept to name it as such, versus an abstraction that isolates underlying, real stakes that were nevertheless unknown to the historical subject.

The episodic and more or less chronological nature of my review of Foucault’s sixteenth century notwithstanding, it provides an empirically dense foundation from which I can now abstract from the historical record the underlying historical and conceptual stakes during much of the sixteenth century. First, the sixteenth century should be understood as a time when certain elements of medieval thought collapsed under the weight of dramatic changes across the social landscape of Europe. Davanzati’s *Discourse Upon Coins* was a benchmark of this shift, as the notion of natural philosophy and prime cause started to give ground to socially arbitrary conventions, including trade norms that established gold and silver as the proper forms of money, the prince’s authority to coin money on behalf of the community, as well as subjective utility as the ground of exchange. Although he was not necessarily the first economist to identify the socially arbitrary character of

certain economic phenomena, the weight of these changes made themselves felt at the time of his writing and led him to emphasize this aspect of economic dynamics over others. Second, in general the sixteenth century should be understood as a period of socio-economic dynamism and primitive accumulation, at least in England. Thomas Smith's *Discourse of the Common Weal* demonstrated a heightened sensitivity to the problem of upheavals in the social relations of the commons, even if his vision of the commonwealth was tied to nostalgic calls for reform.

Within the history of thought, there are retrograde elements—such as Smith's loyalty to the Commonwealth concept—that perceive the world based on prior and accepted notions, and against this there are elements that perceive in embryonic form material differences and changes that old ways of thinking cannot explain. These tensions and changes at any given moment are grasped at the level of conceptuality, but conceptuality understood to be always dynamic and multivalent, neither static nor uniform. This form of historical conceptuality cannot be studied in terms of linguistic positivism or semiotics, that is, the appearance of words on a page and the internal semiotic rules by which words function; rather, it must be abstracted from the archive in a form of historiography open to the idea that sometimes the interpretation of texts must rely on concepts not used or mentioned in those texts themselves. The purpose of intellectual history is to chart these changes at the level of conceptuality. This is only possible if the concept of episteme is equally labile. On the one hand, Foucault's intellectual history mentions phenomena of change, such as when he says that “at the same time this restandardization [of Tudor money] was being demanded, and

occasionally accomplished, *a certain number of phenomena came to light* which are peculiar to the money-sign *and perhaps definitively compromised its role as a measure*” (emphases added).³²⁰ But when confronted by specific dynamics of difference that could (and indeed would) catalyze new ideas, he doubles down on resemblance as the sole epistemic condition: “The standard of equivalences is itself involved in the system of exchanges, and the buying power of money signifies nothing but the marketable value of the money.”³²¹ Foucault’s Renaissance episteme does not get us out of the gate. He emphasizes monetary facts at the expense of other issues that were important during this period.

320. Foucault, *OT*, 170.

321. *Ibid.*, 171.

CHAPTER TWO

“Confucius of Europe will one day change the face of the world”: Foucault and Marx Irreconcilable on Quesnay’s *net produit* and the Initial Appearance of the Category Problem of Political Economy

This chapter continues our study of Foucault’s account of economic thought in *The Order of Things*. If Foucault’s coverage of the sixteenth century revolved around the intrinsic value of metals as the sign of money, his account of the seventeenth and eighteenth centuries can be considered a marked improvement insofar as he goes into greater depth on more issues of economic substance. There are four sections specific to the history of seventeenth and eighteenth economic thought that comprise this—Foucault’s “Classical”—period.

The first is mercantilism, which he considers a transitional phase into the Classical period. The second, which is really a continuation of the first, is a section on money and prices that “defines money as a pledge”³²²; this replaces the notion of intrinsic value. The third and fourth sections are on the creation of the concepts of value and utility. During the eighteenth century economists reflected upon “why objects of desire and need have to be represented, how one posits the value of a thing, and why one can affirm that it is worth this or that.”³²³ The pre-revolutionary debate between utilitarians and the Physiocrats is interpreted by Foucault to mean that acts of exchange are governed by the representation of utility of two unlike things. Utility,

322. Foucault, *OT*, 181.

323. *Ibid.*, 190.

therefore, is the category of economic thought that grounds the Classical period, and labor is left out of the account of this period.

It is a challenge to elucidate Foucault's economic history because he tends to meta-theorize economic phenomena in his pursuit of his goal of explaining the episteme of the period in terms of the social function of language. If his primary goal were to provide a history of economic ideas, then it would be easy enough to interrogate his account at this level to figure out what he got right and wrong. However, it must be emphasized, once again, that he does not believe a history of ideas is possible because the episteme of all ideas is historically contingent and different, thus it is the very presumption that historians make that they can read old texts and interpret them for their ideas that Foucault rejects. In lieu of a history of ideas is his notion that the archaeological method can discern how words and language carry a social function that is historically distinct.

I argue the best way to gain a critical vantage point on Foucault's account of the episteme and its relation to the history of economic thought is to question his own historiographical rejection of the history of ideas. The best way to do this is through a careful consideration of the role that abstraction as an epistemic action served in the minds of economists as they reflected upon and wrote about the social developments that they observed in the world around them during the centuries-long transition to modern society.

There is no account of abstraction in Foucault's historical narrative. But abstraction was a way for economists to bridge the concrete and particular

observations of the world to categories of thought at a more general level. My thesis is that one of the characteristic features of the Classical period was that economists actively and readily relied upon abstraction as an epistemic action to make sense of unfolding economic scene. Perhaps this is best thought of as an attempt to apply Francis Bacon's theory of induction and abstraction, which is usually thought of as a theory of natural science, to the social world. I present historical evidence that Bacon's earliest disciples almost immediately began to apply his principles to the study of political economy. From Petty onward, economists set out to discover and understand both the factors that governed economic activity but also a rational form of analysis proper to that comprehension. They thought of this form of analysis in terms of data gathering, empirical study, category formation, and abstraction. However, almost as soon as they attempted to apply Bacon's theory of scientific study of the natural world to the social sphere of human activity, they recognized the difficulty of executing it without the doubt of epistemic uncertainty nipping at their heels. This is why we see moments of hesitation in the scope of their claims alongside declarations of confidence in their method of induction.

This development of the form of economic analysis took place within a particular intellectual context that both enabled or "called forth" their new inquiries but also held them back in an ultimate sense. This unity of the Classical period is in their discovery of natural laws, now shorn free or "liberated" from the constraints of a stultifying scholasticism that conceptualized natural law in terms of a pre-given *telos*. In other words nature would remain a first principle to which seventeenth and

eighteenth century economic thought was committed, the difference now being that the natural laws that were believed to be constitutive of the social world needed to be studied and discovered through a scientific project of empirical data gathering and abstraction. This should seem forbiddingly different from how historians today think about the study of the social sphere of human activity: to study human and social affairs was, for the Classical period, to study and come to understand natural laws that were already there, waiting, as it were, to be discovered and clearly elucidated, if only the right data could be collected and the correct inductive conclusions arrived at. Nature remained the goal, but it was the epistemic conditions required to arrive at this goal that changed significantly.

The unity of perspective that natural law provided is both the greatness as well as the limitation of this period in the history of economic thought.³²⁴ The greatness can be described as the profound realization that the laws governing social organization needed to be discovered; this is what motivated the expansive projects of data collection, a commitment to empiricism, as well as abstraction appropriate to the construction of general models of the natural system; the limitation was in their fetishization of such laws as automatic, unfolding, and tending towards equilibrium.

Foucault was partially aware of this changing landscape of the epistemic conditions of knowledge; however, his account of these centuries errs in emphasizing the influence of Cartesian rationalism over Baconian induction-abstraction. Marx, for his part, seems to have better grasped the manner in which the Enlightenment

324. I am indebted to my adviser Gopal Balakrishnan for insights into the achievement as well as limitation of natural law in political economy.

fetishized natural laws. But as I will make clear in the next chapter, Marx tended also to underestimate the degree to which prior economists relied upon abstraction as a real, live, ongoing research project in their own time.

In what follows I set out to show how abstraction as an epistemic action underwent changes and what we might with some caution call “advances” as the study of the economy shifted from emphasizing first this category of analysis to another. From bullion to land to utility preferences to labor, the seventeenth and eighteenth centuries tended to substitute one variable for another. I interpret this as evidence of their commitment to abstraction as an epistemic action, because it was (and seems to remain to this day) a principle of abstraction that a criterion for judgment of a general system must not be explained by the factors that comprise that system.

To this end I will show how Petty sought courageously and not without a little frustration for a rationale to choose between land and labor as the criterion to judge value; Richard Cantillon will pick up the analysis where Petty left off and opt for land as the major criterion; both of them of course influence Quesnay’s Physiocratic theory. At the same time as this debate between land and labor was developing, utilitarians will be focusing on the representation of needs and desires as the criterion of judgment. This is precisely where Foucault comes down in his analysis of the eighteenth century—the representation of utility—to the neglect of the discourse of labor. In *Capital*, Volume 1, Marx inserts a remarkable footnote from an anonymous source, *Some Thoughts on the Interest of Money in General, and Particularly in the*

Publick Funds (1739 or 1740), that should have given pause to Foucault: “‘The value of them’ (the necessities of life) ‘when they are exchanged the one for another, is regulated by the quantity of labour necessarily required, and commonly taken in producing them.’”³²⁵

In brief, Foucault’s account of the seventeenth and eighteenth centuries is as follows. Whereas the Renaissance mind was limited to the question of “how it was possible to know that a sign did in fact designate what it signified,” the question would inevitably become what links a sign to what it signifies? From this moment, the form thought of the Renaissance was in crisis and the only possible solution was to forego simple interpretation of the world in which there was no need for language itself to be objectified. The “profound kinship of language with the world was thus dissolved.”³²⁶ This rending asunder of language’s happy place in the order of things would also eliminate the simple epistemic conjuncture that existed from antiquity through the sixteenth century. The consequence of the event in which language assumes objectivity during the Classical period in the new science of general grammar is the gap that this objectivity opens up between language and the world. In other words resemblance was impossible as soon as language itself became an object of analysis.³²⁷ In its wake the representation episteme replaces resemblance as the

325. Karl Marx and Ernest Mandel, *Capital: Volume 1: A Critique of Political Economy*, Transl. Ben Fowkes, Reprint edition, (London ; New York, N.Y: Penguin Classics, 1992), 129.

326. Foucault, *OT*, 43.

327. It seems to me that what Foucault might be attempting to do here is argue that language was an object of analysis for a period of time during the Classical period,

sole condition of all thought. Note here that Foucault's approach to representational thought is grounded in semiotics—in the capacity of signs to function intelligibly in this society. This reflects what I have called linguistic positivism at work in Foucault's archaeology, since his process of judging the meaning of historical texts is determined by how words in the archive must have functioned as signs. Eventually, in his narrative, the representation episteme will be eclipsed in the early nineteenth century, but not before it creates what Foucault calls the “three empiricities” of general grammar, natural history, and, of particular interest here, wealth.

In addition to the above-mentioned areas of economic discourse that Foucault reviews, it is imperative to consider which elements of economic discourse got left out of Foucault's account. There are two that I include in this chapter. First is the conceptual history of the term political economy that spans Foucault's entire Classical period. This is relevant because Foucault says no such thing as political economy existed during this time. Second is the relationship between labor and value in economic theory. In this regard William Petty's late seventeenth century contributions, which were influential on the entire Scottish Enlightenment, as well as Richard Cantillon, Francois Quesnay, and Adam Smith, are essential. This sheds light on an aspect of the category problem that Foucault's archaeological method struggles to comprehend.

The history of words-as-concepts is not as clean as Foucault wants them to be. He seems to think that words either represent an object during the Classical period or

thus Saussure's semiotics has an important historical antecedent and can therefore be thought of as a recovery and not entirely originary.

they don't exist. In fact many words do exist that have not yet achieved a high level of abstraction, which is to say that certain words have not yet arrived at an identity proper to it. How do we know this? Because authors frequently cite prior economic texts in order to re-work and re-define the same words, and this slow, collective process generates changes not only at the level of individual concepts but also systems of thought. 'Political economy' was both an individual term that for two centuries was the effect of an abstracting process, but it was also the basis of a genre of systems thinking that developed its own approach to the category problem in economics.

Foucault bases his periodization on the basis that economics during the Classical period is characterized by a "general domain"³²⁸ of inquiry that he calls the "analysis of wealth," which entails partial notions loosely tied together including "value, price, trade, circulation, utility, income, interest."³²⁹ By his account, this form of economic thought, which he separates from the Modern period's political economy, goes up to and includes Adam Smith. His final conclusion is that the Classical period is grounded in the discovery that needs, desires, and utility are the basis of value.

The first problem with this version of history is that 'wealth' is not simply the most general category under which all the other partial notions can be grouped; it is also one of those contested and changing abstractions alongside with them. In fact, as early as the mid-eighteenth century there were important shifts in the concept of

328. Foucault, *OT*, 166.

329. *Ibid.*

wealth away from money. Land, labor, and even a subtle notion of the economic surplus were introduced as early as William Petty in the 1660s. Richard Cantillon's *Essai*, which appeared in French in 1755 (over 20 years after his death), adopted Petty's argument that land and labor was the source of wealth. Both of their theories and forms of analysis influenced the first school of economics, the Physiocrats in pre-revolutionary, mid-eighteenth century France. Questions about land and labor led to further inquiries about productive versus unproductive labor and classes within the population. While a tendency remained to fall back on more rigid and static notions of 'intrinsic' value and 'natural' law, economic thought was becoming comfortable, so to speak, with degrees of uncertainty, dynamic economic processes, and most importantly the realization that the economy was governed by objective laws beyond the control of individuals. The postulate of "laws of motion" in the economy cannot be doubted. Quesnay would, on several occasions, remark that arbitrary personal needs, desires, and utility should not be mistaken with the source of value. This is the fundamental mistake in Foucault's history of this period.

Uncertainty in the thought of this period can be read as the flip side of a more ambitious effort to utilize the power of abstraction. This can be seen in the work of Cantillon, who was prone to saying that certain questions were "outside my subject"³³⁰ and who defined intrinsic value as "proportionate to land and labour."³³¹

330. Richard Cantillon, *Essai sur la nature du commerce en général*, ed. Higgs, 55. See also T. W. Hutchison, *Before Adam Smith: The Emergence of Political Economy, 1662-1776*, (Oxford, UK; New York, NY, USA: B. Blackwell, 1988), 166.

In other words, political economy was becoming a form of social analysis creating and based on higher degrees of abstraction, systems thinking, but also an emphasis on mathematics and empirical research. Alongside universal claims that reflected a form of reasoning made possible by centuries of scholasticism, Francis Bacon's intervention in the history of philosophy provided ground-rules for inductive processes that political economists adopted and tried to put into practice.

In short, the eighteenth century manifested both advances as well as limitations on the deeper problem of how categories of analysis are the basis of economic science. All of these factors would lead to more important breakthroughs in the economic systems of Adam Smith, David Ricardo, and Karl Marx. If so, then it follows that there is a degree of continuity within the field of economic thought underlying important and even definitive discontinuities from one individual system (or text) to the next.

In other words, Foucault's focus on representation does not capture the historico-dynamism of economic thought, in particular because the archaeological method does not take into account the influence of abstraction as an epistemic action in the slow development of economics as a science. Nor does it accept that there can be simultaneously continuous and discontinuous elements. This is why he downplays changes in the concepts of wealth and production in the eighteenth century, and it is also why he neglects entirely the category of labor from his history. To be fair, he analyzes economic concepts including circulation, exchange, utility, and value. The

331. Ronald L. Meek, *Precursors of Adam Smith*, (London; Totowa, N.J.: Dent; Rowman and Littlefield, 1973), 7.

contribution he makes to an historical understanding of these notions can be summarized as follows. There is a path of logic that writers seemed to follow at specific moments in their analysis of wealth. Comprehending this is aided by a method that seeks to show how the function of words was to represent an object or idea. However, Foucault's insights must be contextualized within a broader critique of the historical dimensions of the category problem in political economy. To do this, it is necessary to incorporate, using a method that draws from textual interpretation as well as social contextualization, an analysis of how economists represented the utility of individuals in relation to the category of labor. Only this can shed light on how the eighteenth century approached to some extent the aporia of value.

Lastly, as I mentioned in chapter one, his tendency to neutralize the productive capacity of intellectual disagreements should be met with skepticism.

The Classical episteme: representation and the *Logique de Port-Royal*

In this section I review the concept of representation and the historical source from which Foucault obtained it, the *Logique de Port-Royal*. Although this was the “most influential logic text from Aristotle to the end of the nineteenth century,”³³² Foucault goes further and attributes to it a sweeping generalization as the epistemic ground of all knowledge during the two centuries in question. Foucault asserts that *Port-Royal*'s theory of signs can account for all words and knowledge for nearly 200

332. Jill Buroker, “Port Royal Logic,” In *The Stanford Encyclopedia of Philosophy*, ed. by Edward N. Zalta, Fall 2014. <http://plato.stanford.edu/archives/fall2014/entries/port-royal-logic/>. This entry has a helpful bibliography of sources on the *Logique de Port-Royal*.

years. There is no need to refute the theory contained within this influential text on logic just to question Foucault's unlikely belief in its law-like status. Rather I argue against the privileged status that Foucault attributes to it for two reasons. First, I broach the possibility that Foucault's generalization is faulty because the *Logic* was deeply influenced by Cartesian rationalism. Counterpoised to Descartes would be Francis Bacon's theory of induction, which I present below in terms of an advance in the principles of abstraction. This argument requires demonstration through research into Bacon's intervention on behalf of a more rigorous scientific method. Very briefly, Bacon sought a new form of knowledge based on data collection, empirical analysis, and a sorting and synthesizing function of abstraction towards the law-like properties of natural systems. If Foucault overlooked the role that Francis Bacon played in establishing new theories of knowledge, then it becomes possible to identify forms of thought and reasoning during the seventeenth and eighteenth centuries that are not governed by the Cartesian principles of the *Logique de Port-Royal*. Once this is established, the category problem of economic thought during Foucault's Classical period is re-opened. A fresh interrogation of the historical archive of economic texts will show that Foucault erred in concluding that the representation of utility in acts of exchange was the governing principle of the seventeenth and eighteenth centuries. He concentrates on the category of utility—referenced as “needs” and “desires” throughout *The Order of Things*—when in fact economists considered in much more serious fashion the category of labor as a first principle of early political economy.

Foucault says the resemblance episteme is challenged from two directions by Baconian and Cartesian philosophies, which together reduce it to “idols” on the hand and “confused mixture”³³³ on the other. Recall that since all knowledge during both the Renaissance and Classical periods is the outcome of an episteme radically different from our own, the historian of today is confined to studying the conditions of possibility of knowledge during these times, not knowledge itself. Thought has moved beyond the half-truths of Renaissance similitudes and embraces a much more ambitious project—this is, after all, the Age of Reason and Enlightenment, the time of Cartesian rationalism and Newtonian mechanics. The Classical episteme must be understood in terms of a historically significant change in the function and operation of language as a semiotic system. Representation as the condition of knowledge means words now represent things as opposed to resembling them.

To represent and to be a sign is the same thing. For this reason Foucault’s theory of representation is defined by his theory of signs. In this way he continues the form of argument that he began with Renaissance resemblances, which he also defined as signs that functioned in a particular way. Representation works according to a certain number of rules.³³⁴

The relationship between Classical signs and the world that they reveal is not arbitrary; rather, unlike the Renaissance period during which language was embedded within the world of things, just one among many elements where it enjoyed a seamless and carefree relation to things, the Classical sign adopted a certain self-

333. Foucault, *OT*, 52.

334. See chapter three, *ibid.*, 46-77.

awareness of its power to represent. This had a twofold effect: first, it led to a separation between language and the world of objects, thereby instantiating for the first time a space between them—broken forever was the happy and uncomplex process during the Renaissance within which it could be taken for granted that language was unified with the world, that it was just one more element among all others in the order of things; second, this newfound awareness of language's role of representing meant that for the first time its entire mode of doing so was forced to justify within its own terms this very power, hence the “binary theory of the sign”³³⁵ that compressed within the Classical sign-structure a double function, both the simple act of representing an object (carried over from the Renaissance) with the idea of representability (unique to the Classical).

This binary arrangement is actually very important because it distinguishes this historical period from the preceding and following periods, so it is necessary to explain it in greater detail.

Classical signs are successful because they not only represent their object but also because they represent the idea of that object's representability. The whole world is representing itself to us, and words are the means by which it speaks to us in our language. Such is the social function of language during the Classical period, according to Foucault. As we will see in the following sections, this links up to economics most forcefully in the notion that mercantilism in the seventeenth century was a form of thought (and a set of practices) in which the wealth of the world was

335. Foucault, *OT*, 67.

representing itself to us through money, and in the eighteenth century the analysis of wealth would shift from money to be grounded in the representation of needs and desires—that is, utility—between two people in the simple act of exchange.

Signs are successful in this period if they operate according to the rules of identity and difference. In order to do so, it is a first requirement of all thought that a sign represents the thing for which it seeks an identity. Second, it does so by way of a slight difference from another thing. Unlike the Renaissance during which two objects were thought to be convenient (that is, they resembled each other) by virtue of their real proximity in space, the proximity of Classical objects now had to be justified by a careful consideration of their degrees of identity and difference. Unlike the Renaissance during which it was perfectly reasonable to transcend all spatial distance between two objects under the terms of an emulation, or to collapse all their distinctions through analogy, the Classical sign “enables things to become distinct, to preserve themselves within their own identities, to dissociate themselves or bind themselves together.”³³⁶ The determination of the difference between two things means they each have their own unique identity. For this reason, the analysis of things establishes the order among them.

This is a relatively flat conception of language in that the rules of language—think grammar, syntax, phonetics, etc.—are not included in the concept of language in this period. The nominalist tendencies of this theory of signs and representation is

336. Foucault, *OT*, 68.

strong because words-as-signs have neither purpose nor rules outside of their capacity to represent:

Signs, therefore, have no other laws than those that may govern their contents: any analysis of signs is at the same time, and without need for further inquiry, the decipherment of what they are trying to say. Inversely, the discovery of what is signified is nothing more than a reflection upon the signs that indicate it.³³⁷

Foucault perceives nothing outside of the representing function of a single word matched up to a single object that enjoys its own identity. Nor is there anything prior to or before, logically speaking, the representing function of words; in other words, society had not yet discovered the a priori and therefore governing function of grammar, which precedes the language user in time and is therefore constitutive of meaning in a way that is independent of the form of analysis that links a word to an object.

What Foucault is doing here—to give a sneak peak into our own future as “moderns”—is demarcating a conceptual difference between the knowledge and social function of language in the Classical period from the philological conceptions of language that will irrupt into our knowledge in the nineteenth century. Once society discovers that language has a history, that phonetics dates back to an origin of language that is impossible to recover, that the rules of grammar precede the speech act and therefore individual who uses language to represent, the Classical episteme of representation will be shattered on the rocks of our own vexed status as both constituted object and constituting subject.

³³⁷. Foucault, *OT*, 66.

Foucault abstracts this theory of signs and of representation from a source contemporaneous to this period. The *Logique de Port-Royal* (1662)³³⁸ is the basis of his theory of the Classical sign³³⁹. *Port-Royal* was a logic textbook influenced by Jansenist theology. Its authors, Antoine Arnauld and Pierre Nicole, were associated with the Jansenist heresy, though they did not necessarily ascribe to all of its ideas. The primary author, Arnauld, is known to have engaged in debates with Descartes, Malebranche, and Leibniz³⁴⁰. Curiously, Foucault provides no background information on the *Port-Royal* or Jansenism; rather, he takes its philosophy of logic at its word and then elevates the explanatory power of this particular theory over other philosophical texts of its time. In effect, he generalizes its theory of signs to all other signs that occur during this entire historical period, including those within natural history, general grammar, and the analysis of wealth. This is why I said that Foucault “abstracts his definition of representation” from one source to all others: the theory of the sign set forth by *Port-Royal* is, for Foucault, the sign-structure that determines the Classical order *tout court*. It is akin to saying that Wittgenstein’s theory of language-games is the epistemic condition of all twentieth century thought, despite the fact this, Wittgenstein’s later philosophy of language, rejected his earlier philosophy in the

338. Antoine Arnauld and Pierre Nicole, *Logic or the Art of Thinking*, transl. Jill Vance Buroker, (Cambridge: Cambridge University Press, 1996). *The Logic of Port-Royal* is the name given to the text *La Logique ou l'art de penser*.

339. See especially Foucault, *OT*, 64.

340. Elmar Kremer, "Antoine Arnauld," *The Stanford Encyclopedia of Philosophy* (Fall 2012 Edition), Edward N. Zalta (ed.), <<http://plato.stanford.edu/archives/fall2012/entries/arnauld/>>.

Tractatus, and despite the fact that other philosophies of language existed during Wittgenstein's time as well.

How does Foucault read the *Port-Royale*? The “most fundamental”³⁴¹ variable of the Classical sign that Foucault gleans from *Port-Royale* is the obscure notion that, in his words, “from the Classical age, the sign is the *representativity* of the representation in so far as it is *representable*.”³⁴² This is probably one of the most complex and abstruse arguments in *The Order of Things*, which by and large is well written and discernible if read closely. Translation: Classical signs are, like signs from any period, communicating a thing or idea--a meaning, basically--but during this period the sign-form is structured in such a way that it is not merely the meaning of the word being represented, but also and simultaneously the fact of representativity as such. Every Classical sign declares, as it were, the authority of representation as the exemplary form of knowledge. “The signifying element and the signified element are linked only in so far as they are (or have been or can be) represented, and in so far as the one actually represents the other.”³⁴³

What links a sign to what it signifies? While a sign can represent a meaning by itself, no single sign can represent representativity alone. The only way for signs to represent representativity is through their incessant, never-ending pursuit for equivalence with other signs. Establishing the identity of one object via its difference from another object requires a comparative analysis of two unlike things. Signs are

341. Foucault, *OT*, 63.

342. Ibid., 65.

343. Ibid., 67.

moored to that which they signify through their participation and location within a densely constructed and constantly expanding table of knowledge. The order of things during the Classical period is established and confirmed over time through a great spatial expansion of the table of knowledge. This is the basis of the “three empiricities” of general grammar, natural history, and analysis of wealth that develop during this period.

It is not clear whether Foucault intentionally or consciously based his theory of the Classical sign and representation on Cartesian philosophy. Evidence cuts both ways. On the one hand he says that, whereas Bacon merely supplied a negative critique of resemblances by showing them to be idols, “the Cartesian critique is of another type [...] *it is Classical thought* excluding resemblance as the fundamental and primary form of knowledge, denouncing it as a confused mixture that must be analysed in terms of identity, difference, measurement, and order” (Emphasis added).³⁴⁴ On the other hand, he remarks,

Language has withdrawn from the midst of beings themselves and has entered a period of transparency and neutrality. This is a general phenomenon in seventeenth-century culture — a more general one than the particular fortunes of Cartesianism.³⁴⁵

In truth, Descartes’ influence on the *Port-Royal* is palpable in its very premise. When Foucault says that language has withdrawn from the midst of beings, this is

344. Foucault, *OT*, 52.

345. *Ibid.*, 56.

tantamount to the Cartesian *cogito* principle that “thought is prior to language.”³⁴⁶

Second, the organization of the *Port-Royal*, which is divided into Parts I-IV, mirrors exactly Descartes’ four mental operations of conceiving, judging, reasoning, and ordering.³⁴⁷ The entire Cartesian structure of the *Port-Royal* is overlooked by Foucault. He may want to give it an entirely new interpretation based on his reading of the theory of signs it contains, but one thing is certain: he definitely wants to exclude from his definition of the episteme the “knowledge” that Western philosophy was creating at this time. Philosophy must be an effect of the episteme, not its cause.³⁴⁸ The problem with this account is that the secret behind the Classical theory of signs was Descartes. One scholar went so far as to conclude, “René Descartes was the true philosophical father of the *Port-Royal Logic*”; “Arnauld and Nicole wholeheartedly embraced Descartes’ rationalism. In fact, their theory of knowledge is taken almost verbatim from Descartes.”³⁴⁹

346. Jill Buroker, “Port Royal Logic,” *The Stanford Encyclopedia of Philosophy* (Fall 2014 Edition), Edward N. Zalta (ed.),

<http://plato.stanford.edu/archives/fall2014/entries/port-royal-logic/>

347. Part I contains “*reflections on ideas, or the first action of the mind, which is called conceiving*”; Part II consists of 20 chapters treating “*reflections people have made about their judgments*”; Part III focuses on the rules of reasoning, and is divided into 20 chapters; The *Logic* ends in Part IV with a theory of scientific knowledge. See *ibid*.

348. “If we question Classical thought at the level of what, archaeologically, made it possible, we perceive that the dissociation of the sign and resemblance in the early seventeenth century caused these new forms—probability, analysis, combination, and universal language system—to emerge [...] And it was this network that made possible the individuals we term Hobbes, Berkeley, Hume, or Condillac,” Foucault, *OT*, 63.

349. Buroker, “Port Royal Logic.” In *The Stanford Encyclopedia*, Fall 2014.

Does the fact that Foucault locates the theory of his episteme in the period in question—that is, in the *Port-Royal*—buffer him from the charge that he anachronistically “presupposes a question that could originate only in our own century”?³⁵⁰ It is very likely that he is importing concepts and theoretical ideas from early twentieth century Saussurean semiology. Despite this, he defends himself along the following lines:

It is true that the Classical age was no more able than any other culture to circumscribe or name its own general system of knowledge. But that system was in fact sufficiently constricting to cause the visible forms of knowledge to trace their kinships upon it themselves, as though methods, concepts, types of analysis, acquired experiences, minds, and finally men themselves, had all been displaced at the behest of a fundamental network defining the implicit but inevitable unity of knowledge.³⁵¹

It is a good argument, but the fact remains that he, in his capacity as historian, is the one making the determination about what was “sufficiently constricting” about *Port-Royal*’s theory of signs. Furthermore, he is the one ascribing to the three empiricities of general grammar, natural history, and analysis of wealth the rules of “a fundamental network” that defines an “implicit but inevitable unity of knowledge” *en bloc*. This active role of the historian is not a problem for most any other historiography—historians are generally comfortable with the idea that their craft is necessary precisely because no prior civilization can “circumscribe or name its own general system of knowledge”—but it does contradict the archaeology method’s

350. Foucault, *OT*, 75.

351. *Ibid.*, 75-6.

premises of radical epistemological breaks and conditions of knowledge based on the semiotic structure of signs.

The ‘analysis of wealth’ as a history of ideas

The chapter on the history of economic thought in the Classical period is titled “Exchanging.” Rapidly expanding commercial trade and exchange relations during the seventeenth and eighteenth centuries are the socio-historical substrate of Foucault’s study of economic thought, but he accords little theoretical importance to the historiographical question of how social history and the history of ideas are related. His concept of episteme is supposed to explain not only abstract ideas, but also practices and policies in the real world. At any rate, economic thought, which is purely an effect of a rigorous and European-wide commitment to representation, creates a number of related (though loosely so) economic concepts. Far from producing an advanced, systematic, and cohesive science of political economy, there is, during this period, a “general domain” of concepts addressing a notion that he says is now mostly lost to us, the “analysis of wealth.”³⁵²

In chapter one I offered a partial review of the literature on the history of economic ideas. Historians have pinpointed the beginning of political economy at different times, and they’ve associated it with different economists. What Foucault has in common with all of them is that in *The Order of Things* he no doubt presents a history of ideas. He differs from them in two ways. First, his concept of epistemic

352. Foucault, *OT*, 166-68.

break is more radical compared to how others perceive change. Second, whereas other economic historians approach texts and authors as distinct objects of analysis, Foucault does not. The degree to which he is willing to depersonalize the history of ideas is striking. He is not interested in any method that is held prisoner to what he pejoratively dismisses as “opinion.” This follows logically from his method, since the underlying sign-structure can explain all ideas, which is how he convinces himself that he is not doing a history of ideas. Consequently, this sets him on a path towards adopting a process of historiographical abstraction very different from other scholars. By reading texts as distinct objects of analysis, other historians are accepting them as the empirical starting point for their mode of abstraction. This is true regardless of whether or not they are conscious of approaching texts as their object of analysis. The text operates as a kind of condition of possibility for the initial assimilation of the minutiae of all the words on all the pages in the archive. Therefore the text in the archive is two things: it is the effect of one of the earliest “steps” of abstraction (because it is usually presumed to be an object) and it is concurrently the basis and foundation of further “steps” or “activity” of synthesizing abstraction. To say that historians are interpreting texts is necessary (and obvious) but not sufficient; the former needs no further explanation, but it is not sufficient because historians do not merely interpret, they also synthesize and build up towards a set of categories that they believe explains (or at least sheds some light upon) the past. (I concede that this process of “building up” towards an argument may be part of the process of interpretation, but then we are simply approaching the term interpretation at a higher

level of abstraction.) Foucault's process is different as a result of his interest in the sign-structure of words. On the one hand, it allows him to de-contextualize ideas by separating them from social history. On the other hand, the sign-structure de-textualizes ideas from texts, thus 'liberating' them to an abstract domain where they are relatively autonomous, save for the sign-structure that grounds their function as meaningful words. This abstract domain where signs exist is the empirical basis of Foucault's archaeological method. This explains why, when reading *The Order of Things*, it is quite difficult to discern when Foucault is summarizing the ideas of others versus when he is providing his own analysis of the same.

There are, of course, times when he cites and mentions the proper names of those whose books he is citing—there are 78 citations on 46 pages of “Exchanging,” just less than two per page. Per the archaeological method, citations are first and foremost evidence in the form of a material trace of the effect of the less obvious yet determinative sign-structure. This allows Foucault to think of statements from one text as if they were from another, so long as they are from the same period and thus operating according to the same semiotic rules. At one point he cites Richard Cantillon's *Essai* yet a few lines later he'll be summarizing an idea from Dutot's *Réflexions sur le commerce et les finances* and then Véron de Fortbonnais's *Éléments du commerce*, as if their ideas were all from the same text.³⁵³ All of this means that Foucault's mode of abstraction starts with a very different notion of what the object of analysis is—semiotics as opposed to ideas contextualized historically and within

353. Foucault, *OT*, 187-8.

texts. Thus the principle guiding his mode of abstraction from the moment of his reading of texts in the archive towards his most general category of representation is the formal and logical analysis of how words function. This is the basis upon which he writes his own version of history of ideas. However, because it is impossible to verify that words manifest the dynamic of his epistemic structure without first interpreting the meaning of the words, I've gone so far as to argue that his method is actually parasitical to his history of ideas.

In the seventeenth century the analysis of wealth realized that money represents wealth. This was the contribution, Foucault says, of the mercantilist experience. Marx would agree with this point, though he would go on to separate the Monetary period—of which mercantilism is one variant—from the period of Manufacturing. Marx understood the critique of the latter against the former, whose thought forms were limited by money fetishism. Marx went further by accusing early manufacturing era economists of fetishizing nature itself in their belief that economic order was based on ahistorical natural laws. In this sense they, too, were guilty of mystifying the laws of motion of historically specific economic processes. Slowly, however, the Renaissance notion of intrinsic value lost sway and money in the Classical period was eventually, slowly re-defined as a pledge.

Upon closer examination I will show in the section below on mercantilism and money that Foucault is essentially tracing the impact of nominalist reasoning upon economic theories. He does not frame his history in these terms, although much later in *The Order of Things*, on page 296, he acknowledges in brief passing that “Classical

knowledge was profoundly nominalist.” In order for Foucault to acknowledge that nominalism held sway over Classical knowledge without thinking of nominalist reasoning as one element of a broader conception of the episteme, it must be true that his own form of thought is held back by a form of linguistic fetishism that limited his historiography to the semiotic form of words. Furthermore, to suggest that nominalist reasoning grew prominent during the seventeenth century would be tantamount to admitting that there are degrees of continuity in thought, since the history of nominalist thought as demonstrated in chapter one (*supra*) dates no doubt to the early medieval period.

By the end of Foucault’s Classical period, the goal of the analysis of wealth was to identify the basis of exchange. This can be described in Marxian terms as a movement from the Mercantile system to that of Manufacturing, though in Marx’s account the antagonism between these two camps is illustrative of rapid changes in socio-economic formations occurring across Europe between the seventeenth and eighteenth centuries, whereas in Foucault’s history the same representation episteme is constitutive of both.

What is exchanged? Objects of value. What has value? Objects that are needed and desired. In other words, the Classical period defines what it meant for an object to have value as a function of it being needed; that is, to use a Marxian term, to be a use-value. Foucault’s entire argument hinges on his conclusion that the Classical period is eventually and ultimately governed by utility. In the section below on utility and value, I reconstruct Foucault’s analysis and then offer a critique on the basis that

he misses the key categories of labor, production, and surplus in the Physiocratic system, which in his account is firmly guided by the representation of needs, desires, and therefore utility.

My critique prompts a consideration of one alternative to Foucault's history, which is Marx's own account of the Physiocrats. I consider the defining role of the category problem in political economy and how this is evident in Foucault and Marx's respective concepts of history.

Adam Smith's *Wealth of Nations* is ultimately included under the representation episteme as well, but Smithian political economy signals a change on the horizon to the Modern episteme. This is the topic of chapter three, however.

In general, Foucault's approach to intellectual history is limited insofar as he reduces it to an inquiry into the series of logical steps that historical subjects must have taken to represent their thought in language. In other words he is attempting to foreground the formative process by which thought was expressed materially in language. There appears to be a certain dynamism in his methodology because it can bracket as 'background noise' the question of *le futur antérieur* of a science, as well as the contemporaneous socio-material context in relation to which ideas are expressed. But for this same reason it tends to hypostatize the production of ideas at its greatest extent of insight: the machine-like mechanism by which his episteme can account for the production of knowledge at the very least minimizes, or worst completely negates, the plasticity of human affairs. The sequence of logical statements and its structure as determined by language comprises but one aspect of

thought's epistemic conditions. There is a greater sense of dynamism inherent in human intellectual labor, one that is prone to error and lacunae and is, furthermore, a reflection of one's received intellectual heritage, regardless of how well or poorly understood. Additionally, some decisions ought to be understood as a reflection upon context, that is, social events and the material lifeworld. These additional factors must also be considered part of the episteme.

For these reasons I argue that Foucault's history of economics in this period is incomplete in some respects but also in error with respect to his interpretation of certain key economic theories, such as the Physiocrats'. He was on firm ground to think about representation, identities, and differences as epistemic conditions, but since he defined these categories in terms of how words-as-signs function during this period, it is reasonable to push back and say that these categories alone fail to capture the dynamism of economic intellectual history. Rather, if words are indeed being used differently in the seventeenth and eighteenth centuries—which is to say that they make meaning and construct knowledge on different grounds—it's because historical subjects have already engaged in or accepted a pre-analytical and, against Foucault, a pre-representational activity of abstraction that is itself an epistemic condition. A mode of abstraction—the principles by which it is conducted, its limits, its productive capacity—informs a subject's use of language. A historiography that approaches the archive under the banner of linguistic positivism is unable to consider the mode of abstraction to which I draw attention.

Francis Bacon's attack on resemblances illustrates my point. In essence, Bacon intervenes in the philosophy of science by drawing attention to the relativity of the rationality of different modes of abstraction. This alone is of great interest, but I go one step further and argue that Bacon's broadside against scholasticism means *abstraction itself a historical phenomenon*. In other words, even if it may be universally true that all humans engage in abstraction as an epistemic activity, the form in and by which they do so is not static, ahistorical, natural, or universal. Abstraction as a mode of thought changes throughout history because, like everything else, its "form" is subject to the vicissitudes of history. (That the content of abstraction, which is ideas themselves, changes does not require elaboration.)

Bacon's critique of resemblance, Foucault says, is "an empirical critique that concerns, not the relations of order and equality between things, but the types of mind and the forms of illusion to which they might be subject."³⁵⁴ Foucault seems to be saying that Bacon is critical of how the renaissance mind works, but that he fails to explain how a more ordered mind ought to work at the birth of the Age of Reason. Astutely working the "*idola*" of Bacon's *Novum Organum* (1620) into his analysis, Foucault says of resemblances: "They are *idols*."³⁵⁵ He then quickly moves on to consider the Cartesian critique, which he concludes "is Classical thought excluding resemblance as the fundamental experience and primary form of knowledge, denouncing it as a confused mixture that must be analysed in terms of identity,

354. Foucault, *OT*, 51.

355. Bacon "shows them, shimmering before our eyes, vanishing as one draws near, then re-forming again a moment later, a little further off," *ibid.*, 51-2.

difference, measurement, and order.”³⁵⁶ For Foucault, Bacon was simply a negative critique of similitudes, a temporary layover on the way towards Descartes’ rationalism, which provides the model for Classical representation.³⁵⁷

This binary of Baconian induction versus Cartesian deduction is the result of a common presupposition in the history of philosophy in the mid-twentieth century when Foucault was a student and eventually wrote *The Order of Things*. However, the word induction has meant many things since Bacon’s use of it. According to Deborah Redman in *The Rise of Political Economy as a Science*, induction was “commonly used well into the nineteenth century not in contrast with deduction or the hypothetico-deductive method, but as a synonym for it.”³⁵⁸ Complicating matters further, Bacon’s theory of induction actually “includes aspects of deduction and abstraction on the basis of negation and exclusion.”³⁵⁹ Bacon is conscientiously intervening in the philosophy of science in order to set it on firmer ground. He does so by refuting a former mode of bad abstraction that led to “idols,” and then by constructing a revised system of science to replace it. Where Foucault saw only a negative critique of resemblances in *Novum Organum*, there was in fact a more complex rejection of a false sense of rationality in which one could, as Bacon wrote,

356. Foucault, *OT*, 52.

357. Bacon merits one citation in *OT*; Descartes, nine in the span of four pages.

358. Deborah A. Redman, *The Rise of Political Economy as a Science: Methodology and the Classical Economists*, (Cambridge, Mass: MIT Press, 1997), 159.

359. Jürgen Klein, “Francis Bacon,” In *The Stanford Encyclopedia of Philosophy*, ed. Edward N. Zalta, (Summer 2015).

<http://plato.stanford.edu/archives/sum2015/entries/francis-bacon/>.

“fly at once from the sense and particulars up to the most general propositions”³⁶⁰ in favor of a more correct form of induction wherein one “derives axioms from the senses and particulars, rising by a gradual and unbroken ascent, so that it arrives at the most general axioms last of all.”³⁶¹

This process of ascending gradually from particulars to the more and more general leads to the “simple natures” as a result of “progressive stages of certainty.”³⁶² By my reading, Bacon is one of the first to establish a theory of principles of abstraction. I offer the following citations as proof that Bacon was thinking of scientific induction in terms of rational abstraction:

The manner of making experiments which men now use is blind and stupid [...] We have as yet had either none or very weak ones [experimental practices]; no search has been made to collect a store of particular observations sufficient either in number, or in kind, or in certainty, to inform the understanding [...] Nothing duly investigated, nothing verified, nothing counted, weighed, or measured, is to be found in natural history: and what in observation is loose and vague, is in information deceptive and treacherous [...] The whole edifice tumbles [if axioms and generalizations] *be improperly and overhastily abstracted from facts*. (Emphasis added.)³⁶³

Bacon’s lament over a dearth of sound empirical data as the first and foundational step of rational abstraction is elegant proof that advances in (the principles of) abstraction were necessary before a rational scientific method could be

360. Bacon, *The Great Instauration and The New Organon*, 25; cited from Redman, *Rise of Political Economy*, 162.

361. Bacon, *The Great Instauration and The New Organon*, 50; cited from Redman, *Rise of Political Economy*, 163.

362. Bacon, *The Great Instauration and The New Organon*, 40; cited from Redman, *Rise of Political Economy*, 163.

363. Bacon, *The Great Instauration and The New Organon*, 70, 94, 24; cited from Redman, *Rise of Political Economy*, 165.

put into practice. Foucault could not be more wrong to say that Bacon was not interested in “the relations of order and equality between things” (*supra*). It’s just that the order of which Bacon speaks is the order of abstraction—something off Foucault’s radar. We might say that Foucault is close to identifying the historicity of the principles of abstraction insofar as he marks Bacon’s critique of resemblance as one of the nails in the coffin of the shimmering idols of similitude. He does not, however, frame the issue in terms of abstraction, rather in terms of a shift in the semiotic structure of word-signs. Still, this is precisely what his concept of episteme desires to do—establish the historicity and the plasticity of the conditions of possibility of knowledge—so that we can no longer presume the progressive teleology of liberal historiography. My argument with Foucault is that the historicity of epistemic conditions is not to be found solely in semiotics but in the form, method, and principles of abstraction. My review of Bacon’s theory of the rational form of knowledge in terms of abstraction is meant to demonstrate the historical and textual basis of my point of view.

Where Foucault sees an epistemological break and a radically new incarnation of signs, I see a critique and ultimately a shift in the concept of abstraction in the history of philosophy. Foucault’s position may be reflective of the neglect that Bacon’s philosophy received until later in the late twentieth century. “Contemporary

scholars have praised his inauguration of the theory of induction. This theory has been held in higher esteem since the 1970s than it was for a long period before.”³⁶⁴

The archaeological method is unable to explain the motor of historical change—only describe it at a certain level. My emphasis on abstraction as an epistemic action actively incorporates the productivity of a negative tension that a historical subject—in this case Francis Bacon—experienced when he was confronted by a received yet inadequate intellectual heritage in the form of resemblance and similitudes.

Pre-analytical Political Economy as an Epistemic Condition of Its Later Science

Equally important is what is not included in Foucault’s account of the Classical epoch. There is no such thing as political economy during the seventeenth and eighteenth centuries because, “in the order of knowledge, production does not exist.”³⁶⁵ Whence does this concern arise for Foucault? Not from a judicial reading of the history of ideas, since the entire project stems from a radical skepticism that a ‘history of ideas’ is possible in the first place. One of his strongest rejections of a ‘history of ideas’ comes at the outset of his chapter on economics:

It is useless to apply to [a study of the Classical period] questions deriving from a different type of economics—one organized around production or work, for example; useless also to analyse its various concepts (even, and above all, if their names have been perpetuated in

364. Klein, "Francis Bacon," *Stanford Encyclopedia of Philosophy* (Summer 2015). There is now underway an international effort to produce a new critical edition of Bacon’s complete works called The Oxford Francis Bacon: <http://www.cems.ox.ac.uk/ofb/about.shtml>

365. Foucault, *OT*, 166.

succeeding ages with somewhat analogous meanings), without taking into account the system from which they draw their positivity. [...] We must therefore avoid a retrospective reading of these things that would merely endow the Classical analysis of wealth with the ulterior unity of a political economy in the tentative process of constituting itself.³⁶⁶

Foucault's initial claim at the very beginning of this chapter hinges on whether a single concept—production—existed in the minds of those who exhibited an interest in economics. This included writers, commentators, run-of-the-mill partisans, as well as those responsible for state policy. This is a strong claim that he makes, and controversial too. He will for good reason prevaricate on the merits of it when the time comes to take stock of the Physiocrats, whose writings before the French Revolution included the term "*net produit*." But before a full account of that episode is given, it is enough to highlight it here as indicative of some of the difficulties that will beset Foucault's history of economic thought.

The division of this dissertation between chapters two and three is a function of my object of analysis, Foucault's history of economic ideas in *The Order of Things*. I do not accept his characterization of impassable epistemic breaks between epochs, including between Smith on the one hand and Ricardo and Marx on the other, which is the subject of chapter three. Glancing ahead at chapter three, it will be seen how Foucault's argument reserves the term "political economy" strictly for Ricardo and Marx by arguing no such thing existed prior to Ricardo's category of "production." The seventeenth and eighteenth centuries produced only an "analysis of wealth" devoid of a concept of production, so says Foucault. If a strictly empirical

366. Foucault, *OT*, 166.

reading of the archive were our barometer for the truth of this assertion, then it will soon be seen how this would be nothing short of baffling; if, however, the barometer were something closer to the conceptual and socio-material challenges in the science of economics, Foucault would be on firmer ground. Marx's approach is firmly in the second camp. He places special interest on the conceptual specificity of labor, production, and surplus-value in economic thought. For this reason, Marx can distinguish between early forms of political economy that merely introduced these essential categories and a latter political economy that undertook the work of refining a labor theory of value. Unlike Marx, however, Foucault sidesteps the issue. I believe this is because his representation episteme cannot account for the historical infancy of political economy. In this section I interrogate this term—political economy—that Foucault needs to mean one thing but whose history suggests a story hidden from his view.

In *The Order of Things* he never mentions the historical appearance of the term “political economy.” This is rather odd but perhaps necessary. Odd because the logic of his periodization is a function of one historical era not having political economy, whereas a subsequent era did (and was defined by it); necessary because acknowledging that the term “political economy” pre-dates political economy proper would force him to explain how this term could have a two hundred year history before its existence without there being any form of intellectual continuity between periods. As a result of his faith in radical epistemological breaks, the term becomes

hypostatized and frozen in time. He treats it strictly as that form of positive economic knowledge that is an effect of his nineteenth century Modern episteme of “Man.”

The history of this term is much more interesting than Foucault grants. By no means do I suggest that Foucault is completely wrong to see a major shift in the form of economic science towards the end of the Enlightenment. Rather, its twists and turns at the level of conceptuality, state strategies, and national differences shed light on a fundamental argument of my dissertation, which is that over the course of his career Foucault’s engagements with economics consistently overlook a central feature of political economy as a form of social knowledge; namely, a historical conception of the transition to Modernity in terms of a dialectic between the political and the economic spheres. To wit, the earliest forms of political economy were limited and pre-analytical compared to what the Physiocrats, Smith, and Ricardo would develop, yet it is important to understand how these luminaries stood on the shoulders of and then superseded those who came before them. Furthermore, it is impossible to interrogate the deep connection and commensurate separation of the economic from the political without particular attention to the history of social relations in different times and places. For this reason the category “social relations,” which never becomes a vector of analysis in Foucault’s economics, has been central to my analysis throughout. The history of the term political economy helps bring the categorical importance of social relations into focus for any study of the origins of Modernity.

In fact, the term political economy appears on the scene less than a decade after the end of Foucault’s sixteenth century Renaissance. It is most likely that the

term was first used in France in 1611 by L. de Mayerne-Turquet in a treatise on government, though it is often mistakenly attributed to Antoyne de Montchrétien because he was the first to use it in the title of a treatise in 1615, *Traicté de l'oeconomie politique*.³⁶⁷ The meaning of the term changed considerably over the next couple centuries, but it is certain that in the beginning its usage reflected the relative backwardness of France's economic situation relative to English and especially Dutch commercial interests during the 1600s. Its first usage was not a major theoretical advance. In fact, Montchrétien's *Traicté* may not have contained much that was new insofar as it was based mostly on Bodin's *Six Livres de la République* from 1576.³⁶⁸ However, rather than assess early uses of the term by today's yardstick, which permits of it an easy dismissal, it is worthwhile to note that the term did in fact represent an attempt to think about the ties between political and economic issues on grounds different from natural law as they impinged on early modern (French) statecraft.

I want to return to a point that I made in the previous chapter regarding the term "enclosures": it's not merely a word in today's lexicon that reflects the residue of a social event from centuries past, which is how one might account for it in a theoretical analysis conducted today; rather, from the vantage point of intellectual

367. James E. King, "The Origin of the Term 'Political Economy,'" *The Journal of Modern History* 20, no. 3 (September 1, 1948): 230–31. Hutchison, *Before Adam Smith*, 17, makes the mistake.

368. W. J. Ashley, "Review," *The English Historical Review* 6, no. 24 (October 1, 1891): 779–81. For a much more recent assessment see Durlauf and Blume, eds., *The New Palgrave Dictionary of Economics*, 2nd ed., (Basingstoke, Hampshire; New York: Palgrave Macmillan, 2008), vol. 3, 546.

history, it was an economic notion alive and undetermined, a material and lived experience. So the same can be said of ‘political economy’ throughout the seventeenth and eighteenth centuries. In the very beginning of the seventeenth it was an attempt at social abstraction. The abstracting movement was based on an ancient historical antecedent—this is the most interesting element of its usage in France in the moment of its genesis. The abstraction was from Aristotle’s *Oeconomica* (“economics”), which meant the art of household management, towards the level of the state. Montchrétien lacked a rigorous scientific method, analysis, and he did not exhibit a sophisticated historical consciousness by today’s standards, but if Foucault wants to account for the archaeological necessities of seventeenth century economic thought, he cannot so easily dismiss the fact that an early modern conception of Greek antiquity inflected the thought of the day. Against this, we can surely leave the door open for a different conclusion: that we have here an instance in which the term (in the archive) precedes the scientific concept proper, and its appearance signals at the very least subtle stirring at the level of the mode of social analysis from as early as 1615 (or even earlier with Bodin). The very first usage may have lacked substantial or “scientific” progress, but it is not without significance that an opening occurred in the form of abstraction upon which future developments and against which future challenges could be made. It signaled in intellectual history the objective subjugation of economic management to political imperatives. Even Schumpeter’s eagle eye would not detect this degree of subtlety at the level of abstraction, since his method in *History of Economic Analysis* privileges distinct analytical developments that can be

counted as benchmarks of scientific rigor. Abstraction as an epistemic action is in certain respects—in this example under consideration—more pre-analytical, which is to say that it is the condition of possibility of subsequent analytical advances and challenges. But as such, abstraction must be included in any rigorous conception of the episteme.

To see just how slowly and then rapid progress could be, compare Sir James Steuart's *Inquiry into the Principles of Political Oeconomy* from 1767 to Smith's *An Inquiry into the Nature and Causes of the Wealth of Nations* just a decade later. It is possible to draw a line from Montchrétien to Steuart insofar as they think of political economy normatively, that is, as a set of policy prescriptions on how to administer the country like a manorial fief.³⁶⁹ There are exceptions to this rule, such as the Physiocrats who were among the first to give an account of the total economy. With them and with Smith there is a rupture. Smith thinks of “an inquiry” as open-ended and disinterested; not as a set of policy prescriptions, but at as an attempt to comprehend economic dynamics. Speaking of those who came before him with obvious critical distance, he remarked, “different plans were...first introduced by the private interests and prejudices of particular orders of men, without any regard to, or foresight of, their consequences upon the general welfare of society; yet they have

369. A.M.C. Waterman, “‘New Political Economies’ Then and Now: Economic Theory and the Mutation of Political Doctrine,” *American Journal of Economics and Sociology* 61, no. 1 (January 1, 2002): 14.

given occasion to very different theories of political oeconomy.”³⁷⁰ Disinterested and critical does not mean, though, that Smith’s political economy was completely unrelated to his forebears. His statement indicates a person who was actively thinking about how to expand beyond the limitations of predecessors.

It remains to demonstrate what brought about this opening in 1615, however slight, at the level of abstract-conceptual possibilities. Here we mean to understand not only the perception of how prior Aristotelian social theories of household management provided an abstract model for managing the nation, but also the social conditions in France in the first decades of the 17th century that called for a “political economy” at the level of the state. There is no need to belabor this point, only to explicate the impact of foreign economic pressures driving developments on the domestic front. It’s the story of the social foundations of early French Absolutism.³⁷¹ The transition to absolutist monarchies across Europe was uneven and divergent, the result of varying social circumstances in each country as well as relations among them. Dutch and English mercantile operations were more successful and profitable than French, thus from Montchrétien’s perspective “only the state had the power to mobilize the nation’s resources to meet the challenge of the Dutch and English.”³⁷² Political economy was, in short, the initial name of a program of Absolutist

370. Adam Smith and Kathryn Sutherland, *An Inquiry into the Nature and Causes of the Wealth of Nations: A Selected Edition*, Oxford World’s Classics, (Oxford; New York: Oxford University Press, 2008), 10.

371. I am indebted to the following for this paragraph: David Parker, “The Social Foundation of French Absolutism 1610-1630,” *Past & Present*, no. 53 (November 1, 1971): 67–89.

372. *Ibid.*, 80.

centralization. “Montchrétien demanded the intervention of the state in the economic life of the realm.”³⁷³ In the *Traicté* he recognized the potential for conflict of interests that would impede this primary goal, so he called for state regulation of trade so that, in his own words, “no-one strayed beyond the limits of the rights given them by law.”³⁷⁴ He implored that the French monarch follow the Dutch model, which already emphasized the *ars mercatoria* and double-entry bookkeeping: “Montchrétien saw, presciently, that it ought to be the century of the accountant or the administrator who could successfully pay the soldier and the shipbuilder.”³⁷⁵ This called for a specific organization of the French state bureaucracy, not the liberalization of mercantile interests across the realm. What was required was not the *embourgeoisement* of the monarchy and economy in general but the *féodalisation* of the bourgeoisie.³⁷⁶ As Perry Anderson explains, “the specific character of the French Absolutist state which emerged in the *grand siècle* was designed to fit, and master, this complex of forces.”³⁷⁷

To accomplish this, the autonomy of the French regions had to be addressed, because they hindered the adoption of a specifically national trade policy. The

373. Parker, “Social Foundations,” 79.

374. Montchrétien, *Traicté de l'économie politique*, 141; cited from *ibid*.

375. Jacob Soll, “Accounting for Government: Holland and the Rise of Political Economy in Seventeenth-Century Europe,” *The Journal of Interdisciplinary History* 40, no. 2 (October 1, 2009): 225.

376. Parker, “Social Foundations,” 88. For more on the debates surrounding early French Absolutism, see also J. H. M. Salmon, “Venality of Office and Popular Sedition in Seventeenth-Century France. A Review of a Controversy,” *Past & Present*, no. 37 (July 1, 1967): 21–43.

377. Perry Anderson, *Lineages of the Absolutist State*, (London; New York: Verso Books, 2013), 94.

strongest holdout against centralization was the prosperous and nearly independent Huguenot outpost La Rochelle on the Atlantic coast.³⁷⁸ The Rochelais, with their own fleet of ocean-going vessels, opposed—and then ignored—the establishment of a monopoly French trading company in the New World along the lines of the Dutch company.³⁷⁹ But foreign competition demanded internal order and centralization, thus an early hint of Rochelais “bourgeois” autonomy had to be destroyed by the feudal state: “The destruction of the Huguenot party was the *sine qua non*” of a program of centralization “whose methods were not developed in response to the wishes of the bourgeoisie although the programme that it envisaged reflected the impact of France’s commercial rivals.”³⁸⁰ Over time, alienated Crown lands were recovered, guilds were strengthened, and as for La Rochelle, its ancient privileges were scaled back, it was subjected to traditional taxes, and its trading operations were brought into alignment with the central state. The architecture of absolutism “achieved the feat of integrating the nascent French bourgeoisie into the circuit of the feudal state.”³⁸¹

France’s tardy entry to global commerce behind the English and Dutch would skew its form of economic thought and policy for more than two centuries right up to the cataclysm of 1789. The French *féodalisation* of the nascent bourgeoisie in the 17th

378. La Rochelle’s ancient privileges dated to at least 1199: Parker, “Social Foundations of French Absolutism,” 80.

379. They even had their own agent to protect their affairs in Canada and “Rochelais ships were regularly sighted in the St. Lawrence...until 1626 [...] Their command of the sea would have lasted longer had not the Dutch and English been so foolish as to provide the ships which finally destroyed the Rochelais fleet in September 1625,” Parker, “Social Foundations,” 81.

380. Ibid., 89.

381. Anderson, *Lineages*, 97.

century would no doubt yield impressive highpoints, most notably France's ascendancy on the international stage with the Treaty of Westphalia, in which Richelieu decided the fate of Germany, checkmated the power of Spain, and stretched the kingdom's borders to the Rhine. There was also Louis XIV's pompous "*l'état c'est moi*." Such peaks were not sustainable. The underlying and more consistent effect was that French political economy would by and large emphasize the political question, that is, the role of the state in the economy, over independent analysis of the economic sphere per se. This intellectual trajectory bore some important fruits, for example the administrative, fiscal policy, and public finance ideas of Colbertism, Vauban, and Boisguillebert. Their debates and disagreements are covered in the next paragraph. To highlight here, the social consequence was "to create a bourgeoisie which tended to become increasingly assimilated to the aristocracy itself [...] The result was to 'side-track' the political evolution of the French bourgeoisie for a hundred and fifty years."³⁸²

This also helps to explain why a future reaction against the state's role in the economy, both in terms of policy and within economic thought, would find their strongest expressions in France by the mid-eighteenth century: this is where oppositional thought and experimental policy initiatives were most drastically needed. The *ancien régime* would eventually be identified in a period of pre-revolutionary discontent with inefficient and ineffective stifling of the economy, but only after several decades of reflection on the consequences of Colbert's mercantilist policies.

382. Anderson, *Lineages*, 97.

The French socio-economic context in which mercantilism was eventually called into question was a reaction to Colbert's 1670 decree that gave the central absolutist government authority to control the economy.³⁸³ The Marquis de Vauban was one of the first to propose a simplified tax system to relieve burdens placed on the peasants. Vauban recognized the impact of tax policy on other sectors of the economy, thus pointing out the potential inefficiencies of state-led tax systems. He furthermore based his arguments on statistics to prove his points.³⁸⁴ Vauban's policies were too similar, though, to Colbert's commitment to national self-sufficiency and favorable balance of trade to mark his work as a significant departure from mercantilism. It was Boisguillebert who went further in the first years of the eighteenth century.³⁸⁵ Drawing attention to the misery of the agricultural population, he criticized the identification of wealth with gold and silver and placed it instead, according to Pribram, with "the enjoyment of want and satisfaction."³⁸⁶ It seems that the concept of individual subjective utility was establishing a foothold just at the moment when economic thought needed an alternative line of attack against the identification of wealth with precious metals. However, perhaps borrowing from William Petty, whose economic works came much earlier in the 1660s to 1680s, Boisguillebert concluded land and labor were the source of "*les richesses*." Land,

383. Charles Woolsey Cole, *Colbert and a Century of French Mercantilism*, (Hamden, Conn: Archon Books), 1964, 340.

384. Pribram, *HER*, 97.

385. Boisguillebert, *Le Détail de la France*, (Rouen, 1695); *Traité des grains* (1702); *Factum de la France* (Rouen, 1707); *Dissertation sur la nature des richesses, de l'argent et des tributs* (1707). See Pribram, *HER*, 97-98; Schumpeter, *HEA*, 215-18.

386. Pribram, *HER*, 97.

labor, and subjective utility, we will see shortly, was to pre-occupy the thought of French economic thought right up through the Physiocrats. While Boisguillebert's policy recommendations sought to liberalize the French economy, including the free importation of grain, he must be acknowledged as contributing to important developments in the "field of 'general theory,'"³⁸⁷ meaning his economic analysis, unlike that of Petty's, was not predominantly driven by attempts to back up his policy preferences. Furthermore, Boisguillebert "used the phrase '*Pourvu qu'on laisse faire la nature*' to support the idea that liberty was a principle taught by nature."³⁸⁸

The Physiocrats were credited, including by Foucault, with bequeathing to modern discourse the famous dictum "*laissez-faire*," but it is now evident that they were not the first to make use of this line of reasoning.³⁸⁹ The important thing, however, is that arguments in favor of economic liberalization, sometimes grounded in the notion, as in Boisguillebert's case, that nature teaches humanity what liberty is, increased and were intensified by participation of everyone from public officials to businessmen in the numerous economic journals that appeared on the French scene around mid-century.³⁹⁰ Jacques Vincent de Gournay, perhaps, is the one who first popularized the axiom of economic liberalism: "*laissez faire et laissez passser, le*

387. Schumpeter, *HEA*, 215.

388. Příbram, *HER*, 98. "Provided we let nature takes its course."

389. Schumpeter finds elements of the idea, if certainly not the term itself, as early as the Scholastics (*HEA*, 99).

390. *Journal oeconomique*, 1758; *Gazette du Commerce*, 1763; *Journal d'agriculture, du commerce et des finances*, 1764 (this last would be taken over by the Physiocrats).

monde va de lui-meme.”³⁹¹ Early forms of economic liberalism, it is crucial to note, differed on the question of whether free trade was the best course of action for either domestic or foreign trade—there had been significant barriers to the grain trade from one province of France to another. Gournay, for example, favored free trade domestically but not for foreign commerce.³⁹² Against this, another and even more famous application of the *laissez-faire* principle found its voice in the person of Marquis D’Argenson, who, in a rebuke of strong protectionist views, practically issued a “plea for the establishment of a common market for all European countries.”³⁹³

Changes on the policy front eventually followed. First, Louis XV was influenced by Quesnay to adopt between 1754-70 the freedom of grain trade, and then Turgot’s famous six edicts of 1776 under the “enlightened” Louis XVI attempted to modernize the French state and economy by taxing the nobility, destroying the privileges of the guilds, and once again by freeing the domestic grain trade. The monarch “wishes to ‘enfranchise’ his subjects from ‘all the assaults’ on the ‘inalienable right of humanity’ to choose where to work, and to abolish the ‘arbitrary institution’ of the guilds”; the monarch would insist “on the rights of butchers to buy and sell freely, and of candle makers to make judgments about their own needs.”³⁹⁴

391. “Let do and let pass, the world goes on by itself!”

392. Přibram, *HER*, 99.

393. Ibid.

394. Emma Rothschild, *Economic Sentiments: Adam Smith, Condorcet, and the Enlightenment*, (Cambridge, Mass: Harvard University Press, 2001), 22; with citations from *Procès-Verbal de ce qui s’est passé au Lit du Justice, Tenu par le Roi à Versailles, le Mardi douze Mars 1776* (Paris: Imprimerie Royale, 1776).

To wit, the king had no problem embracing *liberté* and *égalité* in pre-revolutionary France, so long as they were conceived, as evidenced by these citations from the *Lit du Justice* of 1776, as measures to liberalize economic activity by protecting every laboring individual from arbitrary rules. From Quesnay's perspective, though, the liberalization of trade had little to do with profitable gains that could be made from trade and commerce. Quite the opposite: he simply wanted the state to get out of the business of making it more difficult for these fundamentally unproductive classes from being a further drain on the productive and profitable agricultural sector.

Foucault's lectures on liberalism from 1977-79 go into much greater detail over the stakes involved in these pre-revolutionary debates, but in *The Order of Things*, he is never quite clear of the importance of this relationship—or dialectic—between the political and economic in the transition to Modernity. Although in the 1960s he is solely focused on the history of economic thought, he does not address the history of the terms political economy or *laissez-faire*; furthermore, he exhibits no interest whatsoever in political philosophy (it is a curious lacuna: scant attention is paid to Machiavelli, Hobbes, Montesquieu, Rousseau, etc., in a book that purports to explain the conditions of *all* thought and practices). Then in the 1970s he veers sharply away from economics and reads many of the same economists he confronted earlier—Bodin, Botero, Quesnay, Smith, etc.—from the perspective of “governmentality,” or what he will call the political logics that justify state power, without much refinement of how he understood their economics. In reality the history of French—and also all Western—political economy is an admixture of the political

and the economic, a story of their painful separation as feudalism gave way to a capitalist mode of production. Failure to treat them with some account of their historical ties and the powerful—and often violent—social forces pulling them apart is to perform a type of anachronism, for conceiving of politics and economics completely separately (as two separate academic disciplines) is a feature of late nineteenth century academia

Mercantilism and Money as a Pledge

Foucault's mercantilism as the representation of wealth in money-form

There are two central claims that Foucault makes regarding mercantilism. The first concerns the history of economic thought itself. It continues an essential contradiction at work in *The Order of Things* that a 'history of ideas' is at best anachronistic or simply impossible, but this reinforces my argument in chapter one and earlier in this chapter that his archeology must be understood as one type of intellectual history among others, not a negation or substitute for it.

Whereas the sixteenth century based two functions of money, "measure and substitution," on its "intrinsic character (the fact that it was precious)," the seventeenth century "turns the analysis upside down" in its belief that its exchanging function, that is, substitution, "serves as a foundation for the other two characters (its ability to measure and its capacity to receive a price...)." ³⁹⁵ Foucault's second central claim links this history to his Classical episteme of representation: "Mercantilism, when questioned at the level of the episteme, appears as the slow, long effort to bring

395. Foucault, *OT*, 174.

reflection upon prices and money into alignment with the analysis of representations. It was responsible for the emergence of a domain of ‘wealth.’”³⁹⁶ Although Marx approaches “The Mercantile System”³⁹⁷ from a different perspective—that of weighing the extent of their knowledge of capital,³⁹⁸ which is an approach that Foucault’s archaeological method would consider anachronistic—their ideas comport insofar as they both attribute to mercantilism a genesis of sorts. Mercantilist thought crystallized, perhaps for the first time, a concept of the Economic as a distinct sphere of social organization. Foucault is correct, therefore, in making the connection between mercantilism and the representation of wealth. I would emphasize, however, that mercantilism as a form of distinctly economic thought was the effect of grappling to understand rapidly developing commercial relations.

Foucault thinks of money’s “capacity to receive a price” at this point as synonymous with metals’ *bonitas intrinseca*—intrinsic value. This is a slight slippage, since we know that sixteenth century economists had at least some comprehension of the difference between the price and value of coins. Copernicus

396. Foucault, *OT*, 179-180.

397. Footnote 19 in Introduction to the *Grundrisse*: “Marx considered that the Monetary System, as defined here, covered economists from the sixteenth century to the Physiocrats. However, within the Monetary System there arose what he calls here the ‘commercial, or manufacture system’ but elsewhere the Mercantile System (known to economics textbooks as Mercantilism). He distinguishes between the two systems (*Grundrisse*, 327–8), but his normal practice is to link them together, since ‘the Mercantile System is merely a variant of the Monetary System.’ See Karl Marx, *A Contribution to the Critique of Political Economy*, ed. Maurice Dobb, Transl. S.W. Ryazanskaya, (2009 Printing, New York: International Publishers, 1970), 158.

398. “The Mercantilists who already have a faint notion of money as capital, but actually again only in the form of money, of the circulation of mercantile capital, of capital which transforms itself into money,” Marx, *Grundrisse*, 327-328.

justified a slight difference based on the cost of extracting metals from the ground and minting them—an early indication of a commodity theory of money. But Foucault is no doubt correct that the concept of money is shifting.

Another indication that political economy merits separate consideration apart from the other two sciences of grammar and natural history that Foucault studies in *The Order of Things*—an argument I first previewed in chapter one—is his acknowledgement of the long time it took for economics to shift from the old episteme to the new. “The mutation came about abruptly” for grammar and natural history, but “the mode of being for money and wealth [...] because it was linked to an entire praxis, to a whole institutional complex, had a much higher degree of historic viscosity.”³⁹⁹ Indeed. Socio-conceptual history has epistemic conditions different from the more formal and objective domains of grammar and the natural sciences, which is a point that bears no influence on Foucault. The former rarely undergoes total change in a compressed time period. Raymond Williams offers an alternative way to think about the kind of “historical viscosity” that Foucault mentions, though it is not an alternative amenable to Foucault’s position since it would be in the realm of “opinions.” Certain ideologies and concepts that are dominant at one point, Williams says, become subordinated to an emergent system, thus relegating the formerly dominant to residual status.⁴⁰⁰ As I demonstrated in chapter one in an analysis of scholastic theories of money, there was never a time when the intrinsic value concept

399. Foucault, *OT*, 180.

400. See Raymond Williams, *Marxism and Literature*, Marxist Introductions, (Oxford [England]: Oxford University Press, 1977), 121-7.

enjoyed a complete intellectual monopoly among intellectuals. Quite the opposite—it came about slowly in opposition to a Thomistic deduction of the prince’s right to coinage. Foucault is right in that it had the upper hand as the sixteenth century progressed, but he mistakes its emergent dynamism during the sixteenth century for an airtight system of thought based on similitudes.

There are a couple problems with Foucault’s account of mercantilism; they stem in part from his attachment to a sharp discontinuity with the sixteenth century. But more importantly, I would argue that Foucault’s numerous and by-now familiar errors of historical periodization are a direct result of his failure to take into account the exercise of abstraction as an epistemic action by those he reads in the archive. In light of a method that approaches archival texts as a series of words on the page, he separates the forms of thought of historical economists, which included the use of abstraction, from the materiality of the words themselves. These issues do not disturb Marx’s study of mercantilism, since he is more interested in the appearance over time of the categories of political economy, rudimentary and incomplete at first but undergoing a series of developments nonetheless.

First, there were definite signs of mercantilist policy decades before Foucault’s Classical period is supposed to have begun. We already learned about Thomas Smith’s mercantilist leanings in *Discourse of the Common Weal*, which was first written in the 1560s, nearly a half-century earlier. In it, Smith foresaw a way out of the problems caused by enclosures by putting landless peasants to work in export-oriented manufacturing businesses. Second, the first texts of mercantilist debate that

Foucault covers—Scipion de Gramont, Thomas Mun, etc.—were written decades before the *Logique de Port-Royal* was written, though the latter is supposed to offer the age its general theory of the sign. Foucault's account only works if we compress the entire seventeenth century into a single conversation about the representation of wealth. Still, he more or less captures the end result of mercantilist thought at the close of the seventeenth century when he says that it “makes money the instrument of the representation and analysis of wealth, and makes wealth, conversely, into the content represented by money.”⁴⁰¹

From a slightly different angle, though, his account differs from Josiah Child's famous formulation in his *Discourse About Trade* (1690): “Foreign trade produces riches, riches power, power preserves our trade and religion.”⁴⁰² Trade bookends the elements of Child's goals of riches, power, and religion. Foucault's projection of an unconscious desire among mercantilists to represent wealth through their signs is not the same thing as the quest for power and riches that Child wants. This is one of those moments when the complete difference between Foucault's linguistically motivated intellectual history is so at odds with the real-world concerns of those about whom he writes.

When in the 1970s Foucault turns his attention to the ‘reason of state’ and governmentality, he will draw upon the discourse of power in mercantilism. In reality, the distinction between power and profit was already on the radar of economic historians much earlier, including Schumpeter in *History of Economic Analysis*.

401. Foucault, *OT*, 175.

402. Cited from Schumpeter, *HEA*, 347.

Schumpeter sees power politics as a practical problem, not a theoretical or analytical one.⁴⁰³ Beyond what Schumpeter had to say about it, there were two concrete practical concerns facing England in the seventeenth century. First, England had no gold and silver mines of its own from which to extract metals for money, thus trade was needed to bring money into the kingdom. It was upon this observation that the anonymous author of *An Apologie of the Cittie of London (1578)* first argued “increases in ‘wealth’ were dependent upon increases in exports.”⁴⁰⁴ Second, a very practical motive for tying foreign policy and trade together throughout the continent was, as Pribram notes, “the need to maintain large mercenary armies.”⁴⁰⁵ Financing mercenary armies required of states a warlike foreign policy that supported trade.

A long-view of the concept of money

It’s true that early medieval thought had already represented wealth to intellectuals in the form of money. However, for them the question of money-as-wealth was subordinate to the more general question of the pursuit of happiness, and wealth was seen as only one of eight means toward that end. Other means to achieve happiness included honors, fame and glory, power, bodily good, pleasure, good of the soul, or some created good. More importantly, Aquinas, borrowing from Aristotle, adopted a bifurcated conception of wealth predicated on the categories of natural and artificial:

403. Schumpeter, *HEA*, 346.

404. See Pribram, *HER*, n. 64, 46.

405. *Ibid.*

It is impossible for man's happiness to consist in wealth. For wealth is twofold, as the Philosopher says (Aristotle, *Polit.* i, 3), viz. natural and artificial. Natural wealth is that which serves man as a remedy for his natural wants: such as food, drink, clothing, dwellings, and such like, while artificial wealth is that which is not a direct help to nature, as money, but is invented by the art of man, for the convenience of exchange, and as a measure of things salable.⁴⁰⁶

Since wealth was imbricated with so many other non-economic factors as a matter of the pursuit of happiness, the category problem of the Economic did not appear to Aquinas as constitutive of a distinctive sphere of social organization with its own logic. More explicitly, money was prevented from assuming the status as sole representation of wealth to Aquinas because he adopted the Aristotelian distinction between natural and artificial forms of wealth.

Even though the mercantilists cannot be considered a coherent school of thought and policy like the slightly later Physiocrats would become⁴⁰⁷, “nevertheless, throughout the three hundred years of uncoordinated intellectual effort, full of controversy and reflecting a great variety of practical circumstances, certain doctrinal threads appear again and again.”⁴⁰⁸ Where Blaug may differ from Foucault is in the belief that the seventeenth and early eighteenth centuries yielded a set of doctrinal threads that formed the conceptual basis of later periods. Agreeing with Blaug, one can hardly argue that mercantilist thought did not provide at least a backdrop of ideas against which later economists, including Quesnay, Hume, and Adam Smith, would

406. Aquinas, *Summa*, Vol. 2, (Cosimo, Inc., 2013), Ia-IIa, q. 2, a. 1 (pg. 589).

407. “In recent times, mercantilism, as a label for a phase in the history of economic policy, has been called a ‘cumbersome portmanteau’, a ‘red-herring of historiography’, and ‘a gigantic theoretical balloon’,” Mark Blaug, *Economic Theory in Retrospect*, 4th ed. (Cambridge: Cambridge University Press, 1985), 10.

408. Ibid.

develop their own thoughts. Hume attacked the “core”⁴⁰⁹ of mercantilist doctrine that nations could indefinitely maintain a favorable balance of trade. Quesnay would be among those who derided mercantilists for fetishizing bullion at the expense of a consideration of productive agriculture. There is wide consensus among contemporary economic historians that Smith practically invented the “mercantilist” label as a punching bag in *The Wealth of Nations*.

Marx understood that mercantilism was guilty of fetishizing money-as-wealth. It was bullion-money and this alone that represented wealth to the mercantilists. In a sense one might say this was a step *backward* from the Thomistic-Aristotelian conception of wealth as both natural and artificial; nevertheless, the reduction of wealth to bullion was the conceptual condition of possibility of an advance in so far as it led to the isolation of the Economic as a distinct question of social thought.

Marx appreciated that the earliest critics of mercantilist doctrine—Locke, Hume, Quesnay—understood this fetishizing tendency in mercantilist doctrine. His additional contribution to the history of economic theory was to accuse these critics of mercantilism of adopting their own form of fetishization. For Hume it was utility, or the subjective activity of preference formation; for Quesnay it was land; for early advocates of manufacturing it was manufacturing activity. In general eighteenth century utilitarians, Physiocrats, and others were guilty, Marx accused, of fetishizing the natural order as a model for thinking about fundamentally historical socio-economic dynamics.

409. Blaug, *Economic Theory in Retrospect*, 10.

Marx described these reductions, which were the effect of forms of thought that fetishized a particular but limiting factor in the creation of wealth, as a “limiting specification of wealth-creating activity.”⁴¹⁰ It was overcoming these reductive tendencies that he would eventually attribute to Smith’s adoption of labor as the source of wealth.

At stake for Marx in the intellectual history of money, starting from sixteenth century mercantilists, is the appearance of different categories of thought that were thought to be the ground of wealth. Money was only the first object of analysis that was fetishized as the source of wealth. Its appearance as a distinct category of economics, however, set in motion a nearly four hundred yearlong effort to identify abstract labor as the “abstract universality of wealth-creating activity.”⁴¹¹

Nominalist reasoning in the concept of money and Marx’s commodity money theory

It is worthwhile for the sake of an intellectual history of the concept of money to track the rise of nominalist reasoning. Its clearest orator was Sir James Steuart in

Principles of banks and banking of money, as coin and paper:

Money, strictly and philosophically speaking, is, as has been said, an ideal scale of equal parts. If it be demanded what ought to be the standard value of one part? I answer by putting another question; What is the standard length of a degree, a minute, a second? It has none, and there is no necessity of its having any other than what convention mankind thinks fit to give it. But so soon as one part becomes

410. Marx, *Grundrisse*, 104.

411. Ibid.

determined, by the nature of a scale, all the rest must follow in proportion. The first step being perfectly arbitrary...⁴¹²

Today's literature on nominalism is notoriously confused, however. Some sources describe the nominalist position as emphasizing the *bonitas intrinseca*,⁴¹³ whereas other sources emphasized the exact opposite, the prince's *valor impositus*, which is aligned with *bonitas extrinseca*.⁴¹⁴ The problem in the literature stems from insufficient attention to the changing object of analysis of nominalist reasoning over the course of hundreds of years. There is a presumption that nominalist reasoning was static and the same from its inception as oppositional to Thomistic hegemony to its own victory in the late sixteenth and seventeenth centuries. It was only after struggling to make sense of the contradictions in contemporary accounts of early economic nominalism that I realized that the object and ground of nominalist reasoning shifted over time. In the beginning, the attack was, as Pribram argues, against the universal category of the prince's *valor impositus*—his authority to decide the value of money by marking it with his stamp. Thomists derived this as universally true from natural law. In other words, the prince's authority was a categorial class deduced by reason alone. To combat and weaken this category of natural law, early nominalists emphasized the intrinsic value of metals. This they did (as I mentioned in

412. Sir James Steuart, *Principles of banks and banking of money, as coin and paper; with the consequences of any excessive issue on the national currency, course of exchange, price of provisions, commodities, and fixed incomes*, (London, 1810), *The Making Of The Modern World*. Web. 6 May 2016. Page 6 or Image 8.

413. Pribram, *HER*, 24,

414. L. Randall Wray, *Modern Money Theory: A Primer on Macroeconomics for Sovereign Monetary Systems, Second Edition*, (Palgrave Macmillan, 2015), section "6.4 Commodity Money Coins? Metalism versus nominalism, after Rome."

chapter one) on the grounds that it is imperative to study the individual character of things; i.e., the individual character of gold and silver as something that has value. But nominalist literature (see especially Davanzati and my account of his text in chapter one) was more nuanced: it never completely eliminated the prince's authority; rather, it subordinated it to the community's traditions ("consent of the nations" is Davanzati's term). Upon reflection, it becomes clear that both the prince's decision and the community's traditions are arbitrary, and, furthermore, the early nominalist emphasis on intrinsic value is beset by the same problem of universalism, because it assumes the universality of value across the class of all metals as a given. In other words, having successfully dispensed with the idea that the prince's authority was derived from universal natural law, this same authority was 'freed up' to be grounded in the consent of the community. As a result, the nominalist position, if it was going to remain true to its controversial claims that (1) words are merely names attached to individual things and (2) classes of things do not exist, would eventually de-emphasize the notion of intrinsic value and embrace instead the socially arbitrary convention of the sovereign's authority as a reflection of the "consent of the nations."⁴¹⁵ This is Davanzati's position. It is partly on this basis that nominalism in the modern era has assumed the form that we think of today⁴¹⁶: the name given to money is just that, a name. Money's real efficacy is grounded in the arbitrary social convention that it is used as such by society. Fiat currency. Of course this does not

415. Of course this process was fraught with considerable conceptual problems and challenges. For example, the absolutist argument of "divine right" complicated and contended with other, say, more "nominalist" theories of the king's authority.

⁴¹⁶. See Wray, *Modern Monetary Theory*, 2015.

solve the riddle of nominalism, which is that, if everything is just an arbitrary name attached to things or practices, it is practically impossible to establish (convincingly, at least) a rational ground for the concept of money.⁴¹⁷

This account of nominalist reasoning that I've provided above underscores or complements Foucault's narrative that the Classical concept of money was founded on its exchanging-function and eventually shifted to being a "pledge."⁴¹⁸ The fact that it was precious was no longer constitutive. The main difference is that the substantive shift in this concept of money occurred earlier than Foucault allows—by about one century.

It is possible to corroborate my hypothesis that the sixteenth century was a gradual but definite shift towards a nominalist theory of money. There I presented the argument at a relatively high level of abstraction by linking the rise of nominalism to the 150 yearlong experience of the European Price Revolution. Now, however, it is possible to do the same at a lower level of abstraction by a consideration of "how civil law systems gradually moved from a valorist to a nominalist theory of monetary obligations."⁴¹⁹

417. Against this, even today's fiat system of national currencies exchanging on the open market has a benchmark, most likely the U.S. dollar as the most important reserve currency, or perhaps U.S. Treasuries. And evaluations of the stability of the dollar are tied to something deeper still in the real economy: the real productivity of the economy.

418. These are the two movements he attributes to the concept of money during the Classical age; see Foucault, *OT*, 174 and 181.

419. David Fox, "The Case of Mixt Monies: Confirming Nominalism in the Common Law of Monetary Obligations," February 2011, 5. Fox cites the following (note 11), which I have not consulted: W. Taeuber, *Molinaeus' Geldschuldlehre* (Fischer, Jena, 1928); H.A. Miskimin, *Cash, Credit and Crisis in Europe, 1300-1600* (Variorum

Economists have always been able to approach money in the broadest terms possible (this is not to say they always do so), meaning it is within their purview to define it as a medium of exchange, store of value, unit of account, etc. But the legal sphere could, at times, take precedence over the realm of economics, either to emphasize one economic idea over another or to codify or decide between economic practices that might be in tension with one another. Generally, though, the legal sphere's interest in money is more restricted.

The law is primarily concerned with exchanges so far as they involve the performance and discharge of legal obligations. Hence the primary legal conception of money is narrower than the economist's. What matters is that the money is a valid means of payment, and that by tendering it, the debtor can force the creditor to discharge him from his legal obligation.⁴²⁰

Different economic conceptions of money came into sharp relief in the landmark common law case *Brett v. Gilbert* (1605). In this "Case of Mixt Monies," as it has come to be known, the court sanctioned the theory of monetary nominalism as a principle of common law of obligations.⁴²¹

Now, if one were to abstract from the law's restricted interest in the discharge of legal obligations between two parties, we would no doubt find ourselves thinking about the social relations of debt and credit in general. The bilateral relations inherent to any particular instance of debt and credit, Simmel argues, "recedes from the direct

Reprints, London, 1989), ch. 9; T.J. Sargent and F.R. Velde, *The Big Problem of Small Change* (Princeton University Press, 2002), ch. 6; W. Ernst, "The Glossators" Monetary Law", ch. 9 in J.W. Cairns and P.J. du Plessis, *The Creation of the Ius Commune* (Edinburgh University Press, Edinburgh, 2010).

420. Fox, "The Case of Mixt Monies," 4.

421. *Ibid.*, 1.

line of contact between them, and moves to the relationship which each of them...has with the economic community that accepts money [as] a claim upon society.”⁴²² This movement from the particular instance of bilateral exchange, of debt and credit between two parties, of moneyed interaction, to the level of the wider economic community that recognizes instances of bilateralism, is at the heart of Ingham’s notion that money is an abstraction of social relations. He argues, “money is itself a social relation in the sense that it cannot be adequately conceptualized other than as the emergent property of a configuration (or “structure”) of social relations.”⁴²³ Foucault’s analysis of money as a pledge must be seen in this light. Furthermore, the discourse of money that Foucault analyzes in terms of the episteme of representation must be further contextualized as a discourse about constituted yet changing historical social relations. This can only be done if one’s historiography allows for the concept of abstraction as an epistemic action.

Marx was aware of all of this. He quickly dispenses with an intractable form nominalism in *Capital* while accepting one of its axioms: “The name of a thing is entirely external to its nature. I know nothing of a man if I merely know his name is Jacob. In the same way, every trace of the money-relation disappears in the money-names pound, thaler, franc, ducat, etc.”⁴²⁴ While nominalist reasoning may be in a tizzy trying to prove, in what seems like an abstract exercise of the mind, that classes

422. Georg Simmel and David Frisby, *The Philosophy of Money*, Third edition. (London; New York: Routledge, 2004), 178; see also Geoffrey Ingham, “Money Is a Social Relation,” *Review of Social Economy* 54, no. 4 (1996): 526.

423. Ingham, “Money Is a Social Relation,” 527.

424. Marx, *Capital*, Vol. 1, 195.

of things do not exist, Marx casually acknowledges that the name of a thing is “entirely external to its nature.” He distinguishes, though, between the nature of a thing and its name. His use of the category “nature” would seem to be a reformulation of the scholastic position. However, it is clear that by “nature” he means something entirely different. For Marx, the real stakes are in the relations that a thing has (“money-relation”) compared to its mere name (“money-name”). Relational and dynamic reasoning is of paramount importance for Marx, but even more important than this, his form of thought is always in service to the over-riding goal of formulating a comprehensive account of the structure of the economic system. Of course the forms of reasoning impinge greatly upon this, but my point is that Marx’s position is to let the analysis of the real economy drive decisions about what form of reasoning is adequate to that task. To this end, he was able to draw from German idealism and dialectics, Scottish political economy, as well as French political thought to accomplish his goal.

At any rate, I think this helps to explain why he “assumes” a gold standard in *Capital, Vol. I*. He introduces the term “World Money” to describe the different functions of money apposite to different spheres of circulation.⁴²⁵ In the domestic national economy money serves primarily as a standard of prices and as coins recognized in a particular economy. On the world market, however, it reverts back to its natural form as “precious metal in the shape of bullion,”⁴²⁶ meaning the different forms of coins minted and sanctioned for use by different governments within a

425. Marx, *Capital, Vol. I*, 240.

426. Ibid.

particular country are no longer the decisive character of money. Rather, money's natural form as bullion is, for the first time, identified directly with the "social form of realization of human labour in the abstract"⁴²⁷ at its greatest extent in the world market. That is, Marx's use of the term "human labour in the abstract" in this instance refers to the historically specific global economic system in which the capitalist mode of production "prevails,"⁴²⁸ that is, where it is generalized and systemically dominant over all other types of production. Of course he assumes this is a function of global trade of commodities. In this context he can rightly refer to a specific "social form" of human labour, which is the social relations of production necessary and adequate to capitalism. Thus, he continues, in the global economy bullion money's "mode of existence becomes adequate to its concept,"⁴²⁹ by which he means the concept of its universality.

The bullion notion of money existed well before what could properly be called a global capitalist system, but prior to that system, precious metals as money were not "adequate" to the concept of being a universal representation of value. For Marx, the idea that bullion represented value was a concept that existed in an abstract sense only—this is what he means by saying it was not "adequate to its concept"—until the global capitalist system was real during his own time. It's an interesting argument, but it's not one without difficulties.

427. Marx, *Capital*, Vol. 1, 241.

428. As he famously says on page one of *Capital*, Vol. 1, 125.

429. Ibid., 241.

Marx's commodity money theory is based on the assumption of a gold standard⁴³⁰ across the global system. I do not mean to argue that Marx's political economy requires a commodity money theory—adjudicating this issue is far beyond the scope of my purpose here. He simply states at the beginning of chapter three in *Capital, Volume I*, that “Throughout this work I assume that gold is the money commodity, for the sake of simplicity.”⁴³¹ And this: “Gold confronts the other commodities as money only because it previously confronted them as a commodity.”⁴³² It's true that the gold standard prevailed for a brief period of time when he wrote *Das Kapital*—perhaps this is why he assumed as much “for the sake of simplicity.” The controlling principle of his economics was to give an account of the historically specific and currently existing economy, and the gold standard was operative at the time of his writing.

Regardless, the gold standard notion has been volatile throughout the nineteenth and twentieth centuries.⁴³³ For our purpose here, it is sufficient to point out that Marx seems to be arguing that the concept of money must be understood in an ascending order of abstraction from lower spheres of circulation, such as national

430. “All the experience of history in this area can be reduced simply to this fact, that where two commodities perform by law the functions of a measure of value, in practice only one maintains that position,” Marx, *Capital, Vol. I*, n. 4, 191.

431. Ibid., 188.

432. Ibid., 162.

433. For more, see Duncan K Foley, “Marx's Theory of Money in Historical Perspective,” 13. Mount Holyoke College, 2003, <https://www.mtholyoke.edu/courses/fmoseley/conference/foley1.pdf>. “A key part of Marx's theory of money, the derivation of a commodity-money, does not correspond to the historical and institutional realities of contemporary capitalism” (11). And: “In contemporary economies, then, a fictitious capital, the liability of the state, rather than a produced commodity, functions as the measure of value” (10).

economies, up towards the highest level, the world market. He is not, however, committed to abstraction for the sake of itself. Rather, it is the form of reasoning one needs in order to make sense of the various ‘natures’ of money in relation to qualitatively different spheres of circulation. National economies operate according to one set of rules, regulations, and standards, and the world market another. In other words, the capitalist economy itself requires a rational approach to abstraction if one is to make any sense of this nebulous concept. Second, his statement indicates that the social function of a concept, in this case the age-old notion that pure and plain bullion had value, may shift relative to changes in the real conditions of the economic structure of society. He acknowledges that although the concept of gold as representative of universal value existed before capitalism, it was an abstract concept, that is, it was an idea whose time would not come until much later when the capitalist world market actually existed and required (or simply adopted), for a period of time at least, a gold standard. This was the context in which bullion itself, as opposed to the various and sundry minted coins from different legal entities, was conceptually apposite to the world market’s need for a universal standard.

Money is an abstraction of social relations

Unlike Foucault, Marx is not terribly interested in the question of representation per se; he is interested in the various impacts that different conceptions and functions of money have on each other in the capitalist system: “It is, first of all, quite clear that a change in the value of gold in no way impairs its function as a

standard of price.”⁴³⁴ Value and standard are two different but related concepts and functions of money, yet in the capitalist system they are perfectly compatible. Marx’s task in *Capital* was to draw out the “nature” of these various functions in order to be able to determine at a higher level of abstraction the concept of money adequate to the capitalist mode. This is why he tackles all of the following functions of money: measure of values, means of circulation, symbol of value, means of payment, world money, and then, in chapter four, its transformation into capital.⁴³⁵ The relational dynamic—sometimes complementary, sometimes contradictory, sometimes neutral—between the various social functions of money, I would argue, is the organizing principle of his “theory” of money.

Money is an abstraction of social relations. Foucault overlooks this in his study of money as a pledge, but it is reasonable to argue that this is one of the epistemic conditions shaping his own conclusions. To put it otherwise, Foucault says that in the seventeenth and eighteenth centuries the discourse of money discovered the notion that money is a pledge, and that this notion had as its epistemic basis the capacity of money to represent, but what is a pledge a representation of? The character of social relations during this period. He was one step away from making this connection explicit, yet it remains hidden from view due to his focus on the structure of language and his archaeological commitment to reading everything as an effect of the sign-structure. He very well may be correct that language was used differently in this period relative to a century or two before, but if this is so, it could

434. Marx, *Capital*, Vol. 1, 192.

435. Ibid., 188-246.

be because the character of social relations is changing in a systemically important way, and this is bringing about a new conception of language-use. He practically seems to suggest as much, for his chapter title is “Exchanging,” presumably meaning during this period the analysis of wealth reflected the expansion of exchange relations across the economic sphere.

To clarify: to declare money an abstraction is hardly the privileged gesture of a historian with the gift of hindsight (though it is this, too). Rather, the social context of exchanging, which is by definition a social relation, and how the historically specific form of exchanging they experienced impinged on their definition of money was always at the forefront of seventeenth and eighteenth century economics, even if their thought did not achieve a high level of abstraction that the category “social relations” suggests.

The Category of Labor in William Petty and Richard Cantillon

In *Before Adam Smith: The Emergence of Political Economy, 1662-1776*, which is a remarkably well researched and penetrating account of 100 years of economic thought before *Wealth of Nations*, Terence Hutchison acknowledges Marx’s great contribution to economic intellectual history, only to downplay it. When Hutchison discusses William Petty, for example, he does not fail to point out the latter’s theoretical and conceptual contributions on the category of land, labor, productivity, and surplus, but then he concludes that Petty’s main goals were always

to offer support for his mercantilist-leaning policy positions.⁴³⁶ This, it seems, is supposed to indicate the extent to which Petty did not construct a complete theoretical system or “orthodoxy.” But Hutchison also observes another stated aim of Petty’s, which was to realize the application of Baconian principles in the study of society. In the works of Petty, therefore, I believe the policy orientations, on the one hand, and the methodological and conceptual innovations, on the other, are not mutually exclusive. They simply must be read side-by-side, and Hutchison, in fact, does just this. Marx’s historiography is not constrained by this distinction. Rather—and this is something that Hutchison does not address—Marx’s specific interest in Petty is in how the latter has won a specific advance in the category problem of political economy by his innovative focus on the relation between value and labor. I include this study here to indicate the central lacuna in Foucault’s history of economic thought.

While living in Paris in 1645, William Petty served as secretary to Thomas Hobbes, whose theory of knowledge and political philosophy deeply influenced him.⁴³⁷ He eventually parlayed his experience as a land surveyor after England’s pillage of Ireland into becoming a land magnate. More importantly, he was a founding member in 1662 of the Royal Society of London for the Improving of Natural Knowledge, which was motivated “by the ideas on scientific method of

436. Petty produced “stimulating methodological and theoretical ideas [whose] overriding purpose, no less than was the case with his mercantilist predecessors and contemporaries, was centred on justifying his policy proposals,” Hutchison, *Before Adam Smith*, 29.

437. Hutchison, *Before Adam Smith*, 27-8, presents biographical elements.

Francis Bacon” to “apply the empirical processes of observation and experiment” to the natural world, technology, and also society.⁴³⁸ In this same year he presented his contribution to the goals of the Royal Society in his most important economic text called *Treatise of Taxes and Contributions*. He continued to write extensively on matters of public finance, economic theory and policy, and, in *Political Arithmetic* (1672-6), on the application of mathematics to the study of society. His achievements should not be under-estimated, Hutchison argues, for they constituted a “vital new departure” by introducing “a general and scientific foundation for sounder policy-making, together with the endeavour to estimate quantitatively the elements involved.”⁴³⁹

The *Treatise* was concerned with aiding the recently restored monarchy in the adoption of sound principles of public finance. His list of government responsibilities is noteworthy because of how closely it was mirrored by Adam Smith over 100 years later in *Wealth of Nations*, but also in one important way that Smith differed from Petty. The “main headings for public expenditure: defence, law and order, government, the religious establishment, education, provision for the destitute and unemployed, and public works” were nearly all embraced by Smith, “except for the inclusion of provision for the destitute.”⁴⁴⁰ For Petty, the state entailed internal economic duties, whereas Smith saw government’s role as regulating external

438. Hutchison, *Before Adam Smith*, 28.

439. Ibid., 30.

440. Ibid., 30-1.

economic relations.⁴⁴¹ We'll see Petty's line of reasoning affecting political economy right up through the Physiocrats. Beyond this, he even develops a concept that economists today call structural unemployment, and he believes it's the government's job to offer employment to such persons:

When all helpless and impotent person were...provided for, and the lazy and thievish restrained and punished by the Minister of Justice, it follows now that we find certain constant employments for all other indigent people...In the next place it will be asked, who shall pay these men? I answer everybody...⁴⁴²

In his *Treatise* of 1662, Petty broaches in vague terms the concept of a surplus:

Suppose a man could with his own hands plant a certain scope of land with corn...I say that when this man hath subducted his seed out of the proceeds of his harvest, and also what himself hath both eaten and given to others in exchange for clothes and other natural necessities, that the remainder of the corn is the natural and true rent of the land for that year.⁴⁴³

Surplus is identified with the rent of the land, which is another way of saying its profit. He envisions a laboring individual who trucks and barter to meet its needs and who still has surplus leftover after that.

Foucault would disagree with Hutchison and Marx's argument that Petty "anticipated the classical idea that value was in accordance with labour embodied."⁴⁴⁴ But if we turn to Petty's text, it becomes relatively clear that labor was a category of economic reflection nearly 150 years before Foucault's Modern era. In the *Treatise*

441. Hutchison, *Before Adam Smith*, 31.

442. William Petty, *Treatise of Taxes and Contributions*; cited from *ibid.*, 30.

443. Petty, *Treatise*; cited from *ibid.*, 34.

444. Hutchison, *Before Adam Smith*, 34.

Petty reflects upon the difference between a rational principle or rule to measure value in tension with putting it into practice as a matter of policy: “the foundation of equalising and balancing of values; yet in the super-structures and practices hereupon, I confess there is much variety and intricacy.”⁴⁴⁵ As Hutchison observes, Petty has some conceptual difficulty in choosing between land and labor as the basis of wealth when he says, “Labour is the father and active principle of wealth, as lands are the mother” and “all things ought to be valued by two natural denominations, which is land and labour; that is, we ought to say, a ship or garment is worth such a measure of land, with another such measure of labour.”⁴⁴⁶

This conceptual aporia bothered Petty. He returned to it ten years later in *The Political Anatomy of Ireland* (1671-2) and admitted it as a problem. “The most important problem in political economy” is “how to make a par and equation between lands and labour, so as to express the value of anything by either alone.”⁴⁴⁷ Two observations on this. First, before any substantive progress could be made on the issue of a single factor that could act as the standard for all others, it was necessary for the concept of standard, itself, to be refined and embraced as necessary. This is a step forward at the level of abstraction in economic thinking, and Petty accomplishes

445. Petty, *Treatise*; cited from Hutchison, *Before Adam Smith*, 34.

446. Ibid. Hutchison argues that Petty “can hardly be said to have maintained a labour theory of value, but rather a loosely formulated cost-of-production theory.” Note: In 1730 Richard Cantillon, in his *Essai*, will also attempt to reduce one to the other. In Cantillon’s case, labor is reduced to land. This becomes the paradigm taken up by the Physiocrats a couple decades later. Smith, in *Wealth of Nations*, disregards Quesnay and famously chooses the other factor, labor, as the ground of value.

447. Petty, *The Political Anatomy of Ireland*; cited from Hutchison, *Before Adam Smith*, 34-5.

at least this much. Second, in the process of trying to solve this dilemma, Petty began to touch upon the question of production as a process that involves a qualitative transformation of the materials used. His thought experiment imagined how much weight a calf would gain if left to pasture for one year on a field unattended by human labor, which could then be compared to the amount of food that a person could produce tilling it for the same period of time. It's awkward, and several decades later Cantillon would dismiss it as "merely fanciful and remote from natural laws, because he has fastened not on causes and principles but only on effects..."⁴⁴⁸

Nevertheless, having made some headway from surplus and labor into production, Petty then explored the impact on productivity of qualitatively different forms of labor resulting from the introduction of tools and new skills:

...for if by such a simple labour I could dig and prepare for seed a hundred acres in a thousand days; suppose then, I spend a hundred days in studying a more compendious way, and in contriving tools for the same purpose, but in all that hundred days dig nothing; but in the remaining nine hundred days I dig two hundred acres of ground; then I say that the said art which cost but one hundred days invention is worth one man's labour for ever; because the new art, and one man, performed as much as two men could have done without it.⁴⁴⁹

Finally, in addition to this, Petty even broached the productive payoffs of a division of labor in the economic process. Writing two decades later in 1682 about the growth of London in *Essay in Political Arithmetic*:

The gain which is made by manufacturers will be greater, as the manufacture itself is greater and better. For in so vast a city

448. Richard Cantillon, *Essai sur la nature du commerce en general*; from an abridged English translation in Ronald L. Meek, *Precursors of Adam Smith*, (London; Totowa, N.J.: Dent; Rowman and Littlefield, 1973), 13.

449. Cited from Hutchison, *Before Adam Smith*, 35.

manufactures will beget one another, and each manufacture will be divided into as many parts as possible, whereby the work of each artisan will be simple and easy; as for example: in the making of a watch, if one man shall make the wheels, another the spring, another shall engrave the dial-plate, and another shall make the cases, then the watch will be better and cheaper than if the whole work be put upon any one man.⁴⁵⁰

In conclusion, Hutchison is effusive of Petty's groundbreaking efforts while maintaining that he did not necessarily espouse a labor theory of value. It is true that Petty thought of both land and labor as the ground of political economy. Ronald Meek refers to it as a "dualistic theory of value," as opposed to a "monistic one."⁴⁵¹ For Marx, the essential victory can be located in the fact that Petty was without doubt making important strides in the role and even analysis of the category of labor, even to the point where Petty considered the division of labor and the introduction of tools, or capital, into the production process. Hutchison also attributes to Petty developments in a wide range of other economic ideas and methods, most notably cost of production theory, quantity theory of money, velocity of circulation, as well as quantitative methods of analysis. The key thing, however, is that while the theory of value had usually been dominated by scholastic and natural law theories that focused on utility, "Petty started out on comparatively fresh lines"⁴⁵² by grounding value in part, at least, to labor.

Petty's insights are important not for their own sake but also because they influenced the character of later, eighteenth century political economy. It is possible

450. Petty, *Essay in Political Arithmetic*; cited in Hutchison, *Before Adam Smith*, 40

451. Meek, *Precursors of Adam Smith*, 4.

452. Hutchison, *Before Adam Smith*, 35.

to pick up the story again in the work of Richard Cantillon around 1730. A proponent of Foucault's archaeology of political economy cautions that "the similarity established between Cantillon, physiocrats, and Smith's work may well be explained via a project of establishing a taxonomy of elements of wealth (a general science of order), although Cantillon was not actually setting up 'a model of general equilibrium' in his *Essai*, as some may presume."⁴⁵³ This may not be a fair evaluation of Cantillon's *Essai sur la nature du commerce en général*. It also may not reflect Foucault's own analysis. Actually, he seems agnostic on the question:

What ensures the equilibrium of the economy, therefore, and prevents profound fluctuations between wealth and poverty, is not a certain and definitively acquired economic constitution, but the balanced interaction—at once natural and deliberately maintained—of two tendencies.⁴⁵⁴

The two tendencies in question seem to be the supply of money and the population of a country, but it is difficult to discern what Foucault intends in this passage. At any rate, that Cantillon did not use the word 'equilibrium' is not at issue. The relevant question, however, is whether there was any movement in analysis towards the concept of a dynamic economic system that operated according to objective rules, and if so, what was the ground of these rules? The answer to the first is yes; to the second, Cantillon has an abstract notion of equilibrium based on the fertility of the land and the quality of labor, with room allowed for variations and exceptions reflecting different consumption practices, that is, demand or utility.

453. Vigo de Lima, *The Archaeology of Political Economy*, 7.

⁴⁵⁴. Foucault, *OT*, 188.

Cantillon distinguishes between the intrinsic value and the market price of a thing. In the intrinsic value “there is never any variation”⁴⁵⁵ since it is always determined in the production process by “the fertility or product of the land and to the quality of the labour.”⁴⁵⁶ However, “the [market] price will not always follow this proportion” because “it may happen that no one will be willing to give him half the expense he has incurred,” or, alternatively, “if a number of persons have a fancy for it, that he will be given double its intrinsic value.”⁴⁵⁷ Cantillon’s analysis thus far is approaching the problem of exchange at the level of a single, discrete act. By his account, value is a function of land and labor, which gives the true price or intrinsic value, yet the market price may deviate from this depending on the “fancy,” or utility, of consumers.

At this point Cantillon exercises a move for which he is famous. He indicates that he is interested not merely in this individual act of exchange but in abstracting from all the instances of such to the general situation at the level of the state, in order to determine—looking back--how this plays out on a daily basis. “The impossibility of proportioning the production of commodities and produce to their consumption in a state causes a daily variation and a perpetual ebb and flow in market prices.”⁴⁵⁸ So far, no concept of equilibrium. But then, this: “Nevertheless, in well-ordered societies

455. Cantillon, *Essai*, in Meek, *Precursors*, 7.

456. *Ibid.*, 7.

457. *Ibid.*, 7.

458. *Ibid.*, 7.

the market prices of produce and commodities whose consumption is fairly constant and uniform do not deviate much from the intrinsic value.”⁴⁵⁹

This element of Cantillon’s economic thought is indicated in the title itself. “In general,” meaning Cantillon is consciously and purposively producing an economic manuscript that espouses the practice of abstraction. Hutchison agrees with this and argues forcefully that

Cantillon repeatedly called attention to his abstractions, by noting, for example, that he was putting ‘aside these considerations so as not to complicate our subject’ or by explaining that he was abstracting from foreign trade when ‘considering only at present a state in relation to itself’; or when he left out of account fluctuations in prices due to good or bad harvests, or to other accidents, ‘so as not to complicate my subject, considering only a state in its natural and uniform condition.’⁴⁶⁰

Even more explicit than the above, the structure of Cantillon’s *Essai* is organized around a series of inductions. And he says as much: “From these inductions and examples, I think it will be understood...” and “The induction and details of this will be dealt with at greater length in the following chapter.”⁴⁶¹

This emphasis on abstraction allowed Cantillon to separate the problems of economics from questions of morality, ethics, and politics. In many respects he was more progressive than the Physiocrats he influenced, for at least he acknowledged, “most ancient titles are founded on violence and conquest.”⁴⁶² In other words, the separation of the economic sphere from the political that fused together feudal life

459. Cantillon, *Essai*, in Meek, *Precursors*, 8.

460. Hutchison, *Before Adam Smith*, 165, with citations from Cantillon, *Essai sur la nature du commerce en général*, ed. Higgs, 1931, pgs. 17, 25, 65.

461. Cantillon, *Essai*, in Meek, *Precursors*, 7 and 14.

462. Cantillon, *Essai*, 31; cited from Hutchison, *Before Adam Smith*, 167.

was undergoing an important transition in economic discourse. For what appears to be the issue is not so much primitive accumulation but that, “whatever the way the ownership and possession of land are acquired, we have already observed that it always falls into the hands of a small number of people in relation to the total inhabitants,” and “if the proprietor of a large estate undertakes to turn it to account himself, he will employ slaves, or free men, in order to work on it.”⁴⁶³ This means that the proprietor must provide or allow for the subsistence of his slaves and the various orders of “free men” who work the land. In order to do so, the relative value of a day’s labor relative to what the land can produce must be determined. This is why Cantillon takes up an explicit critique of Petty’s dual theory that made land and labor commensurate foundations for value. Actually, he is unsatisfied with Petty’s attachment to and search for a standard or ‘par’ between the two. While Cantillon does formulate a 1:2 ratio comparing the value of a day’s labor to double the product of the land, he concludes “this is a matter which does not admit of exact calculation and in which precision is indeed not very necessary; it suffices that one does not deviate a great deal from reality.”⁴⁶⁴

The take-away from this study of Cantillon’s *Essai* is that the separation of the economic sphere from the political is coinciding with the appearance of the ‘problem’—or rather, the accounting and measurement—of labor and its value. That land was the factor against which the value of labor appeared (in both Petty and Cantillon) is not surprising considering England in 1662 and France in 1730 were

463. Cantillon, *Essai*, in Meeks, *Precursors*, 8.

464. *Ibid.*, 10.

overwhelmingly agrarian peasant populations.⁴⁶⁵ That Cantillon attempts to reduce the factor of labor to that of land is not surprising either, yet it can hardly be concluded from this that the category of labor is not an essential aspect of eighteenth century economics. In fact, no history of this period is possible without it.

Between Foucault and Marx: A Test Case in the Physiocrats

Foucault understands that the analysis of wealth was aware of the subtle complexities of what is otherwise the commonplace and growing phenomenon of exchange: “Now, exchange is only apparently a simple process.”⁴⁶⁶ How is the exchange of two unlike objects possible? Representation is the condition of possibility of all acts of exchange because the exchange process must bring two unlike objects into equivalence. This can only be done if the objects being traded have value, and the key thing for the analysis of wealth is that value is something that must be represented (by the trading parties to each other or in their private thoughts). “In order that one thing can represent another in an exchange, they must both exist as bearers of value; and yet value exists only within the representation (actual or possible).”⁴⁶⁷ It is on this observation that Foucault believes the concept of value was created during the Classical period. A cursory glance at medieval literature would suggest otherwise, but the key question is what, in the eighteenth century, was thought to be the basis of exchange?

465. Not to mention that Petty was one of the greatest land magnates in Ireland at the time of his economic writings.

466. Foucault, *OT*, 190

467. Ibid.

During the reign of Louis XIV, France pursued an aggressive mercantilist policy against its European competitors, all of whom were also trying, in keeping with mercantilist theory, to maximize the flow of precious metals to their own country. Success was short-lived. The relative backwardness of France's capitalist manufactories compared to England's, the continuous degradation of its non-capitalist seigniorial agricultural system based on the labor of impoverished peasants, and its frequent wars with its neighbors all contributed to the eventual collapse of France and dominance of England.

In the middle of the eighteenth century, the Physiocratic agrarian reform movement advocated for a transition to agrarian capitalism based on the success of the English model. Quesnay, the leader of the Physiocrats, did not stop at simply advocating policies of reform, he made the "first attempt to analyze the capitalist economy taken as a whole," including concepts of social reproduction and net product (or surplus value).⁴⁶⁸ Their policies provoked a reaction from the likes of Galiani who advocated for corn imports and support for the commercial-industrial bourgeoisie. Such, in brief, was the nature of the Physiocrat-Anti-physiocrat debates in France in the years prior to the great revolution.

Foucault's episteme acknowledges differences between eighteenth century Physiocrats and their opponents, but at the same time it neutralizes any productive role that these differences may have had on changes in economic thought—both sides are an effect of one and the same episteme of representation. To be more precise, all

468. I.I. Rubin, *History of Economic Thought*, (London: Pluto Press, 1987), 99.

that these opponents are doing is arranging the same fundamental set of propositions in “inverse orders”: whereas Physiocrats such as Quesnay understand value as anterior to exchange and “as a primary condition without which that exchange could not take place,” utilitarians including Condillac, Galiani, and Graslin analyze value “in terms of the exchange of objects of need—of *useful objects*.”⁴⁶⁹

What matters for Foucault in terms of their opposition has nothing to do with the fact that the former represented landowners and the latter merchants, for this would indicate nothing more than their belonging to this or that particular social group and the opinions and interests that one could therefore expect them to have; rather, in keeping with the strict arrangement by which positive knowledge during the eighteenth century was possible at all, “there are no differences between these two modes of analysis other than the point of origin and the direction chosen to traverse a network of necessity that remains identical in both.”⁴⁷⁰ The network of necessity identical to both is the formal requirement for their thought to link a theory of value with acts of exchange. The Physiocrats accomplish this when they posit that products of the land entail value and, for this reason, nature’s “endless fecundity” makes exchange, which is for them a mode of consumption that meets men’s needs, possible. The utilitarians, for their part, began their theory at the opposite end of the set of propositions; they understood a certain fundamental need in all men as being the basis upon which exchange becomes possible. Note here that what Foucault has done with not a modicum of subtlety is the evacuation of a concept of production at the base of

469. Refer to Foucault, *OT*, 190-191 for his characterization of this debate.

470. *Ibid*, 191.

the Physiocratic system. In fact, his analysis is determined to reduce Quesnay's system to "need, "necessity," and "value in use"; in other words, utility:

In the last resort, need—for food, clothing, housing—defined the absolute measure of market price. All through the Classical age, it was necessity that was the measure of equivalences, and value in use that served as absolute reference for exchange values; the gauge of prices was food, which resulted in the generally recognized privilege accorded in this respect to agricultural production, wheat and land.⁴⁷¹

It might be helpful to recall that utility, for all its pregnant importance in the eighteenth century, was not new or discovered by economists of this century. That value is determined by subjective utility rather than by objective cost is an idea that goes back to the Scholastics.⁴⁷² More specifically, it is possible to trace the intellectual opening to a subjective utility value theory to the earliest nominalists. Jean Buridan "differentiated between the exchange value of goods reflecting common wants (*indigentia communis*) and the value of goods resulting from individual needs (*indigentiae particulares*)."⁴⁷³ With this distinction in mind he questioned why rich and poor people paid the same price for bread even though their individual needs were so different.⁴⁷⁴

To speak more directly to Foucault's argument that the Physiocratic system is logically governed by utility, three observations should be made. Quesnay and his followers discovered the concept of '*net produit*',⁴⁷⁵ or the surplus left over after

471. Foucault, *OT*, 222.

472. Schumpeter, *HEA*, 175.

473. Přibram, *HER*, 23.

474. Ibid. See Jean Buridan, *Questions in Aristotelis Ethica Nichomachea*, IX, q. 1.

475. "The annual wealth which constitutes the nation's revenue consists of the products which, after all expenses have been deducted, form the profits which are

accounting for all necessary costs needed to keep the circular flow of the production-consumption process going from one year to the next. The net product alters the dimensions of the economic circle itself. So confident of this discovery were they that Quesnay's first disciple, Mirabeau, wrote

The discovery of the *net product* which we owe to the venerable Confucius of Europe, will one day change the face of the world...The whole moral and physical advantage of societies is...summed up in one point, *an increase in the net product*; all damage done to society is determined by this fact, *a reduction in the net product*. It is on the two scales of this balance that you can place and weigh laws, manners, customs, vices, and virtues.⁴⁷⁶

It bears mentioning that the most important assumption—not entirely unreasonable considering they were writing from France in the mid-eighteenth century—was that the net product resulted entirely and solely from agricultural production—manufacturing was considered parasitical on the agricultural sector. This obviously grates on modern sensibilities and, to be sure, it was precisely this presupposition that Adam Smith would reject in the process of making the greatest possible advance in political economy. Regardless, it was on this basis that the Physiocrats engaged in their own form of social and class analysis of French society, though they were certainly not the first to do so.⁴⁷⁷

drawn from landed property,” Quesnay, *Extract from ‘Taxation,’* in Ronald L. Meek, *The Economics of Physiocracy: Essays and Translations*, (London; New York: Routledge, 2003), 104.

476. Mirabeau, *Correspondence Générale de J.-J. Rousseau*, Vol. XVII, pp. 171-2; cited from Meek, *Economics of Physiocracy*, 20.

477. According to Meek, the numerous theoretical analyses throughout the eighteenth century that divided society into various classes, some of which were deemed productive and others not, or parasitical on the former, is the most important attribute of pre-Smithian political economy; see his introduction to *Precursors*, viii-x. This can

The dimension of the economic circle is determined by the magnitude of the net product because, if the net product rises from one year to the next, it means “the landowners will spend more on agricultural produce; they will also spend more on manufactured goods, and the makers of manufactured goods will spend more on agricultural produce,”⁴⁷⁸ and so forth, so that the net product continues to increase.

Not only did they talk incessantly about production and the net product, they also considered how to make production more efficient. In this regard they developed some notions of capital advances.⁴⁷⁹

All of this leads to Meek’s conclusion that they believed in “certain objective economic laws, which operated independently of the will of man and which were discoverable by the light of reason.”⁴⁸⁰ Now, to say that they believed in objective economic laws independent of the will of man is also to say that the subjective utility of individual persons could not be the basis of economic value. It is to this assessment of the physiocratic system that I now turn by offering a more detailed analysis of Quesnay’s text “Men.”⁴⁸¹ While it is customary for studies of Physiocratic theory to focus on the *Tableau économique*, Quesnay actually published numerous texts on

be characterized in terms of an advancement in the role of abstraction in social thought. But this is not the crucial element of an argument vis-a-vis Foucault in *The Order of Things*, so I just mention it here.

478. Meek, *Economics of Physiocracy*, 21.

479. “Thus all machines which can contribute to reduce the cost of men’s labour, and all canals or rivers which avoid the costs which are paid to carriers, bring about a price which is favourable to the proper value of produce or commodities; they encourage sales and production, which increases wealth and consequently population,” Quesnay, ‘Men’, in Meek, *Economics of Physiocracy*, 100.

480. Meek, *Economics of Physiocracy*, 19.

481. Quesnay’s text “Men” can be found in Meek, *Precursors*, 88-101.

economics. The following analysis of his article “Men” succinctly addresses Foucault’s misconception of Quesnay’s ideas in *The Order of Things*, both why it was reasonable to think that utility was the ground of their doctrine, and also why that is not the case.

The very beginning of the essay “Men” certainly seems to adduce an unambiguous claim that utility—the “needs” of men—is the ground of all wealth.

It is men who constitute the power of states. It is their needs which increase wealth: the more that nations increase the products which they need, and the more of them they consume, the more wealthy they will be. Without use and consumption, the products would be goods lacking utility. It is consumption which makes them exchangeable...⁴⁸²

Shortly thereafter, however, it becomes clear that utility is a necessary but not a sufficient condition, because in order for consumption to be realized, a good that is exchangeable must be produced: “Men, by increasing and consuming products, are themselves the primary and essential cause of their wealth.”⁴⁸³ Men are both consumers and producers, and Quesnay is making clear that it is impossible to have one dynamic without the other. Now, the state does not have to do anything to make men need things, but it can—and should—take steps to make them more productive:

The state of the population and of the employment of men is therefore the principal matter of concern in the economic government of states, for the fertility of the soil, the market value of products, and the proper employment of monetary wealth are the results of the labour and industry of men.⁴⁸⁴

482. Quesnay, “Men,” in Meek, *Precursors*, 88.

483. Ibid.

484. Ibid.

Quesnay concludes that these four factors are the source of all abundance. It may seem like a contradiction, but it is only apparently so. Even in the very first line cited above, Quesnay refers to the importance to “increase the products” of need. It is also important to note that Quesnay has introduced another term that will become key to understanding his doctrine. The “market value of products,” it will be seen, is similar to the difference between price and value that Cantillon identified.

A good must be exchangeable in order for it to be also considered wealth. Quesnay cites the common examples of air and water as goods that have a high utility but are not exchangeable since they are in such plentiful supply; for this reason they are not wealth. The condition, then, for a good to be considered exchangeable *and* wealth is that it is “marketable,” meaning “only to the extent that its possessors are able to sell it and that it is sought after by purchasers.”⁴⁸⁵ It must be sought after, meaning it must have a utility, but it also must be saleable. What are the conditions of a good’s saleability? It must be profitable, which can only be true if the market value exceeds the cost of production:

Even that produce which is necessary for men’s needs, is not, merely by virtue of its exchangeability, regarded as a profitable form of wealth if its market value does not exceed the value of the work and the other costs which its production demands. That is why we should not confuse all goods which are suitable for men’s subsistence, use, and enjoyment, with those items of marketable wealth which are of benefit because of their value in trade.⁴⁸⁶

Quesnay at this point reiterates that exchangeable wealth can always be exchanged for monetary wealth. This is actually not that significant in order to understand his

485. Quesnay, “Men,” in Meek, *Precursors*, 89.

486. Ibid.

doctrine, except for the fact that he is trying to distinguish between a society like Holland, whose primary source of income and wealth acquisition is in commercial exchange, and France, which can become a great agricultural economy that produces the food that countries like Holland lack.

Having introduced the necessary conditions that exchangeable wealth must be marketable, and that to be marketable it must be saleable, and that to be saleable it must be profitable, Quesnay starts to move beyond the general fact of utility of goods to consider the economic laws of the system. “The price represents the market value of exchangeable wealth. Thus we should not confuse the price of items of exchangeable wealth with their use value, for these two values rarely have any connection with one another.”⁴⁸⁷ In other words, he says, use value is always the same to the extent that it “is always a matter of greater or lesser concern to men according to the relation it bears to their needs and their desire to enjoy it.” Utility is subjective—it is in this particular sense that it is always the same. It is otherwise with prices, however, for they are “dependent upon different causes which are as inconstant as they are independent of men’s will. This means that the price is not regulated at all by men’s needs, and is far from being an arbitrary value or a value which is established by agreement between the contracting parties.”⁴⁸⁸ The contracting parties, of course, are the two sides participating in any given, particular, and discrete act of exchange. Even in this most basic situation and analysis of exchange, Quesnay is unequivocal that the price is not a function of utility, needs, and

487. Quesnay, “Men,” in Meek, *Precursors*, 90.

488. Ibid.

desires. At this point it should be clear that Foucault's conclusion that Quesnay's thought is governed by the representation of needs and desires is wrong, for in order for any act of exchange to be successful, there must be a "contract," that is, an agreed-upon price, and utility is specifically that element that Quesnay rejects as the basis.

To drive home his conclusion even further, Quesnay attempts to provide an example of when the utility of a good ostensibly determines the price in exchange. He does so to demonstrate not a rule but a clear exception. It involves a situation of extreme dearth or shortage of food. In a situation of extreme scarcity, the price has no ceiling. In such an exceptional case "it is its use value which determines, by chance, its market value. I say by chance because the dearth or scarcity which raises its price is dependent upon causes which have no connection with the use value of the items of wealth concerned."⁴⁸⁹ He probably means that during a famine the high price of food bears no proportional relation to its need as sustenance. A concept of marginal utility from the late nineteenth century might conclude otherwise.

At any rate, when it comes to the analysis of wealth in the Physiocratic system, which is specifically the form of economic thought that Foucault links to the representation of needs and desires in the eighteenth century, Quesnay is clear that "it is by the abundance and constant dearness of its exchangeable produce that we should judge the opulence and prosperity of a nation."⁴⁹⁰ Eventually, Quesnay will argue that

489. Quesnay, "Men," in Meek, *Precursors*, 90.

490. Ibid.

the cost of production of a product determines the fundamental price.⁴⁹¹ Adam Smith will retain this aspect of the Physiocratic doctrine while rejecting another. Quesnay concludes that the manufacturing class ultimately consumes as much as they produce, thus “the product of their labour is equal to the cost of their labour, and no surplus of wealth results from it.”⁴⁹² This, of course, is the infamous error that Smith recognizes in Quesnay’s theory. Marx, too, grasped it. The Physiocrats, he says, only got as far as understanding that labor was the source of production; their error was in attributing the surplus to a gift of nature in agriculture.

There is one more aspect of the system worth mentioning. It has to do with the utility and exchange of labor itself. Marx picks up on this, whereas Foucault does not, though it should have been possible for him to realize that labor, too, is something desirable. But by and for whom? If it is true that Quesnay adopts a cost of production theory of prices, then it follows that labor has a price and is a cost factor. This, indeed, is the case for it is the price of labor that determines that agricultural labor is profitable while manufacturing is not. Marx comments on the quality of Quesnay’s deduction of the surplus. It is necessary, he says, “to deduce surplus-value not simply from the exchange of commodity for commodity, but from exchange as it occurs within production, between the owners of the conditions of labour and the labourers themselves.”⁴⁹³ The representation of desirable goods in exchange, which is where

491. “The fundamental price of commodities is determined by the expenses or costs which have to be incurred in their production or preparation,” Quesnay, “Men,” in Meek, *Precursors*, 93.

492. Ibid., 96.

493. Marx, *TSV*, Book 1, 58.

Foucault ends his analysis, is, for Marx, only one part of the production process in that laborers and owners confront each other as owners of a “good” that they exchange with each other, labor-power from one in exchange for a wage from the other. To a certain extent Marx is reading something into Quesnay’s ideas that may not be there; however, Quesnay himself observes that, “in considering the employment of men, the government ought to estimate their utility not only with reference to the work which they actually do, but also, and to a greater extent, with reference to the considerable utility which the kingdom could derive from them...through other more advantageous work.”⁴⁹⁴ In Quesnay’s economic system, labor has a utility for the state as a whole. The productivity of labor, which is its utility, is such that the state should adopt policies to encourage individuals so much as possible to work in agriculture. This is the obverse of Petty’s argument that the government should put the destitute to work. When Smith rejects the agricultural touchstone of the Physiocratic doctrine and elevates those who live by profit, that is, capitalists, to one of the three constituent orders of society, it is no longer the state that perceives or needs the utility of labor; rather, it is the capitalists themselves.

Foucault’s account of the Physiocratic system is problematic. He says: “The doctrines of the Physiocrats may not really possess the importance attributed to them by economists of the early nineteenth century, when the latter were seeking in them the foundation stone of political economy.”⁴⁹⁵ Marx would sharply disagree. Their disagreements over Quesnay are actually several. First, Foucault’s Classical episteme

494. Quesnay, “Men,” in Meek, *Precursors*, 100.

495. Foucault, *OT*, 191.

is restricted to the concept of circulation because this concept expresses how the flourishing market forces of exchange in the eighteenth century are based on the logic of representation. As a result of the methodological principle that Foucault adopts preventing the ‘passage’ of categories of analysis from one time period to another, Foucault has painted himself into a corner. The categories of analysis that are the source of disagreement are production and labor. Foucault is committed to defining his Modern episteme in terms of production by its association with Ricardo’s system. By abstracting the structure of the Modern episteme from Ricardo’s concept of production, Foucault by necessity forecloses any chance that a concept of production could have manifested in a form of knowledge during the Classical era. The specific epistemic conditions that make knowledge of production possible obtain only from Ricardo’s time and after and cannot also have obtained during the Classical period.

Marx finds a concept of production in Quesnay and considers him one of the “fathers of modern economics.”⁴⁹⁶ His analysis in *Theories of Surplus Value* accords great significance to Quesnay’s famous *Tableau économique* (1758): “in fact it was an attempt to portray the whole production process of capital as a process of reproduction, with circulation merely as the form of the reproductive process; and the circulation of money only as a phase in the circulation of capital...”⁴⁹⁷ Marx continues in his analysis to show how Quesnay’s table also refers to capital and revenue and consumption. Other economic historians would seem to agree. As Hutchison observes, “No one before Quesnay [...] had pointed out so clearly and

496. Marx, *Grundrisse*, 328.

497. Marx, *TSV*, Book 1, 343-344.

emphatically the vital role of ‘advances’, ‘waiting’ and time, in larger-scale and more lucrative methods of production.”⁴⁹⁸ This was a step forward in the role of abstraction that Smith and Ricardo would adopt as well. Even Schumpeter remarked that Quesnay provided “an interesting illustration of the way in which, in the mind of the born theorist, analytic generalization may grow out of observation induced by preoccupation with practical problems.”⁴⁹⁹

To limit the study of Quesnay and the eighteenth century to circulation and the representation of needs and desire in acts of exchange is inadequate for Marx because the expanding social relations of market exchange-circulation during the eighteenth century gave rise in abstract form, and for the first time in Quesnay’s *Tableau*, to the entire process of social reproduction. Circulation is only one moment or stage in a more generalized system of production. This, Marx would say, is what Quesnay was aware of and manifesting in his economic system. In Marx’s words:

In so far as exchange is merely a moment mediating between production and production-determined distribution on the side and consumption on the other, but in so far as the latter itself appears as a moment of production, to that extent is exchange obviously also included as a moment within the latter...Exchange in all its moments thus appears as either directly comprised in production or determined by it.⁵⁰⁰

Foucault’s rejoinder might be that it is precisely this high degree of abstraction in terms of knowledge about the concept of production that was only possible much later in Marx’s time. There is an element of truth to this, but it is not possible to offer

498. Hutchison, *Before Adam Smith*, 275.

499. Schumpeter, *HEA*, 235. And in Hutchison, *Before Adam Smith*, 275.

500. Marx, *Grundrisse*, 99.

this rejoinder while also holding fast to a deep and radical epistemological break between Quesnay and Marx that would render the higher level of abstraction impossible.

Marx abstracts out of the eighteenth century economic system of the French Physiocrats, specifically Francois Quesnay's work, a secret to understanding the history of capitalist society. This entails several elements of abstraction, including the economic production of surplus-value, the fact of capitalist social relations that determine the conditions of this production, its appropriation by one class from another, how its circulation among the various social classes is a reflection of society's reproduction of its own material existence, as well as the political policies and ideological commitments that safeguard and guarantee its expansion from one year to the next, which is of course the accumulation of wealth that sets Modernity apart from all previous human societies. In other words, Marx's form of abstraction allows him to 'make appear' a set of categories of analysis that form the basis of his critique of the capitalist mode of production. For his part Foucault eschews an approach to abstraction that is willing and able to discern key categories that do not literally appear in the positive form of language in a particular time period. Thus his historiographical commitments require him to 'make disappear' the concepts of production and surplus-value from the Physiocrats. In the end, Foucault's strict periodization of political economy, based as it is on the epistemic sign-structure of language, forces him to demote the significance of Physiocratic doctrine to the status of being a mirror opposite of their utilitarian opponents Condillac, Graslin, and

Galiani. There is no concept of production in the Physiocrats, no surplus-value, rather circulation and exchange as mediating the endless representations of desire, need, and utility.

Conclusion

By dint of arguing that seventeenth and eighteenth century economic thought was grounded in and made possible by representation, Foucault is suggesting that we can come to know the analysis of wealth for what it was once we grasp what representation meant—or better yet, the semiotic rules by which it governed all thought—during this time. On the one hand, I agree there is something useful in Foucault's rigorous and sustained interrogation of the form of thought that was representational during this period. I would not, however, elevate it to the level of universal and sole epistemic condition.

The concept of utility can be a central focus of Foucault's seventeenth and eighteenth century economics on two conditions. First, the analysis of exchange must always be a discrete, singular phenomenon not only in the world of economic activity but also in the minds of economists who attempt to make sense of the real thing. It's true that in order to comprehend exchange, economists had to isolate the phenomenon for what it was in order to make generalizations about its social character. This, however, reflects advances in the practice of abstraction, for it means economists were isolating the *differentia specifica* of exchange. If so, then the rules by which economists were attempting to represent exchange is a function of this process of abstraction. Once some progress had been made with the concept of exchange in

economic thought, coupled with the observation that exchange was a growing social phenomenon, it was not a huge leap to the determination, which we see in the Physiocrats, that exchange is governed by objective economic laws beyond the control of any individual.

It would be pointless to argue against Foucault that utility, or the need for useful things, was a prominent feature of eighteenth century economic thought. It most certainly was. But it was neither assumed by everyone to be the ground of representing exchange, nor can it have been the unconscious epistemic condition of such beyond their realization. Why was it not the unconscious epistemic condition of their thought? Because their conscious attempts to theorize the relation between labor and utility explicitly makes labor the rule and utility the exception to the rule:

From these inductions and examples, I think it will be understood that the price or intrinsic value of a thing is the measure of the quantity of land and labour which enters into its production, having regard to the fertility or product of the land and to the quality of the labour.

But it often happens that a number of things which currently have this intrinsic value are not sold on the market in accordance with this value: that will depend on the humours and fancies of men, and on their consumption.⁵⁰¹

The fatal weakness of Foucault's entire account of the Classical period is his failure to bring the category of labor more adequately into his analysis. In truth, economists such as Cantillon, quoted above, and Quesnay were actively thinking about the relationship between labor and utility.

Exchange is actually not a collection or sum of discrete and isolated moments of analysis that can be understood individually as attempts at good representation —

501. Cantillon, *Essai*, in Meeks, *Precursors*, 7.

this neglects a definite dynamism in the form of thought manifested in the texts that Foucault reads but which he breaks up into isolated and discrete moments of representation. So what we need is an historiography capable of incorporating moments of representation into a historically distinct thought form that was dynamic. This we can accomplish by contextualizing the goals of representation into an overall process of abstraction as epistemic activity.

It is true that the logic of language was the subject of ongoing philosophical debates throughout the seventeenth and eighteenth centuries. The *Logic of Port-Royal* was exactly this. It can even be readily conceded that this included arguments and theories about the correct or rational form of representation. But the historical study of the intellectual process by which historical subjects arrived at this or that specific representation (i.e., word) cannot be reduced to the form of semiotic internalism that they, themselves may have constructed or argued for. There was always a contextualizing intellectual labor that was grounded in their processes of abstraction. Insofar as this abstraction was an aspect of their own epistemic condition, it is too reductive to define the episteme as a function of the operations of signs in the manner of Foucault.

Finally, let it be said that abstraction as an epistemic action is always an inherent dimension of the use of language and the writing of texts. If it were not, it would be literally impossible to enter into a conversation in which the given parameters are already at a medium to high level of abstraction. And yet all language users probably do just this several times a day if not more often or incessantly. We

never consciously pose the question to ourselves: what ‘level’ of abstraction am I thinking about or ‘entering’ when I utter this speech act? We rarely, if ever, invoke the whole, arduous history of a work-concept of those who came before us but whose intellectual labor of abstraction is a condition of our own intellectual heritage and ideologies. Abstraction as epistemic action is, as such, an *a priori* condition of language use. This is substantiated by the simple observation that Foucault himself relied on a process of abstraction in order to arrive at his category of representation. For this reason I argue, at the level of methodology, for the possibility of linking the historian’s practice to a historiography apropos to the study of intellectual history.

CHAPTER THREE

“The love of it, is the love of virtue”: The Scottish Enlightenment’s Concept of Self-Approbation, Smith’s Triumph of Labor over Hume’s Utility, and Robinson Crusoe is Not Alone, After All

In this chapter I reinforce the critique of Foucault’s Classical period, based as it is on the episteme of representation, and then extend my analysis to a critique of his Modern period, which is based on a different episteme, that of Man. The chapter is divided into four parts. First is a critical review of Foucault’s concept of discontinuity in the historiography of intellectual history. I argue that Foucault endeavors to avoid one reductive historiography, which would entail a concept of history that is continuous and teleological and which he believes is the result of a unitary and conscious subject of history, by leaning too heavily on an opposite though equally reductive method, that of an extreme form of discontinuity wherein a ‘history of ideas’ is no longer possible. I suggest intellectual history is better served by a more flexible and even commonsensical approach to the category of continuity, in which the possibility of simultaneity of continuity and discontinuity in the history of thought reflects different degrees of abstraction and generalization. The proper degree of abstraction should be determined as a function of appositeness to the scope of inquiry.

In the second section I reconstruct Foucault’s argument regarding the Modern episteme of Man. This particular conception of Man presents a dilemma for knowledge because it is both the subject and object of knowledge. A rational reconstruction of Foucault’s thesis allows me to argue that the portrait he paints elevates a concern for epistemological certainty over actual historical processes. His

concept of the individual is not the abstract and fundamentally ahistorical individual of bourgeois society, yet he is constructing his own version of an individual shorn of social relations in a society where, as Marx reminds us, our mutual interdependence is so extensive that the individual can appear as such. Whereas the path out of the epistemological hard place towards which Foucault points is limited to a new relation that we might develop with language, I argue it would be better to historicize all concepts of the individual qua individual as reflections of our own historically distinct social relations wherein our mutual interdependence can be overlooked. A sharper critique of Foucault's thesis would be to say that he fetishes the appearance of the modern individual as such without criticizing the social conditions that made the concept of the individual that he finds problematic possible in the first place.

Foucault's search for a criterion of judgment independent of the subject-object quandary is what drives him relentlessly towards linguistics as a ground for knowledge. Thus I pay special attention in my reconstruction of his plot to his often overlooked argument that Language takes primacy over Labor in the Modern epistemic period. That is, we finally come to the full force and purpose of *The Order of Things*, which is to demonstrate how language operates not only as the medium of communication of knowledge but as an epistemic *Punctum Archimedis* of intellectual history, social theory, and indeed all forms of knowledge in Late Modernity (i.e., at the time of writing of *The Order of Things*). Against this I reiterate my by now familiar view that abstraction as an epistemic action cannot be explained by linguistics alone, since any theory—historiographical or other—that elevates

language to a first principle is engaging in—which is to say the result of—an act of abstraction that is outside or “before” the linguistic sphere per se. My position is not necessarily that every speech act is always the result of an agent who is actively engaging in abstraction; rather, it is sufficient to point out that all language is inherently and already informed and inflected by prior or “dead” abstractions (and also possibly current abstracting activity).

In the third section I demonstrate how Foucault’s failure to take adequate account of abstraction as an epistemic action during the eighteenth century Scottish Enlightenment’s “science of man” discourse led him to conclude incorrectly that the development of a particular conception of Man as an epistemic ground of political economy was not instantiated until David Ricardo. My analysis of eighteenth century moral philosophers, mostly Smith’s *The Theory of Moral Sentiments* (1759) but also drawing from Mandeville, Hutcheson, and Hume, shows that a conception of the individual as both subject and object of knowledge was established at least 50 years earlier than Foucault suggests. The main point, however, is not to pinpoint the precise date at which a concept of Man developed and how accurate or not Foucault was in identifying that year; rather, it is important to correct his notion that political economy was a cause of the concept of Man, when in fact early eighteenth century science of man was a conceptual condition of possibility of the concept of self-interest that would become political economic orthodoxy in the wake of *Wealth of Nations* (1776). At the same time it is worth pointing out that, while the safer posture with respect to Foucault’s faulty periodizations might be to ignore or downplay them,

their recurrence from one century to the next is, I would argue, symptomatic of his general failure to give an account of abstraction as an epistemic action among those historical sources whom he appropriates in his account of the transition to modernity.

Marx criticizes the abstract individualism of the eighteenth century. However, we should approach with caution Marx's critique of Enlightenment theories of human nature, since his famous "Robinson Crusoe" metaphor exaggerates the degree to which Hutcheson, Hume, Smith, et al., adopted an a-social conception of the individual. In truth, they were keenly aware of the social nature of the individual. They even got as far as concluding that it is absolutely impossible to understand the nature of the individual without prior consideration of the individual's social existence. The failure of the Scottish school, I argue, was not per Foucault their inability to think beyond representation, and not per Marx their lack of a social conception of the individual, but rather the limitation of their conception of the social nature of the individual as a purely natural, ahistorical outcome. For this reason they failed to identify the historically specific social relations as the ground of their own social theory and their political economy—this, their ahistorical form of thought, is the precise meaning of the charge that they fetishized natural law, even though they no doubt embraced a conception of the social character of the individual. This latter point emphasizing the historical condition of the individual, of the social relations in which the individual is embedded, closely aligns with Marx's overall critique, though he failed to appreciate the extent to which the Scots relied upon abstraction as an epistemic action to establish the social nature of the individual.

In the fourth part of this chapter I turn my attention to Foucault's rendition of political economy proper as it transitions from the Classical to the Modern episteme. As Foucault reminds his reader in *The Order of Things*, "quite obviously, it would be superficial to seek [...] some progress made in rationality."⁵⁰² I disagree. Historical-textual evidence is clear that Hume, Smith, and others, including Marx, were committed to squaring the rationality of their respective forms of inquiry to the substance of their ideas and overall economic systems.

Nevertheless it is possible to identify a rational kernel within Foucault's narrative that must be salvaged. It can be described as a battle for conceptual predominance between two general categories of economics, utility and labor. In the previous chapter we learned that Foucault defined the eighteenth century around the category of utility while neglecting the fact that the concept of labor was also an important part of economic thought. He defines the Modern period around labor. Foucault gets right that with Smith a labor theory of value becomes ascendant and remains so through Marx; thus he is correct to identify Smith's concept of labor as an "essential hiatus" with the past. But Foucault's analysis of labor in Smithian political economy is prone to problems. First, he imputes a concept of labor-time that is not in Smith's economics. Second, he doubles down on his assertion that Smith's thought remains within the shadow of the Classical episteme, meaning it is governed ultimately by the representation of needs and desires, which is to say utility, when in fact Smith assiduously rejected David Hume's utilitarian basis for civil society.

502. Foucault, *OT*, 238.

Once we clear away Foucault's various historical and conceptual inaccuracies and ongoing problems with his periodization, we can glean from his account a key question at stake in this economic discourse. The critical question overlooked by Foucault but which his analysis points towards is: what compelled Smith to reject an emphasis on utility in favor of labor, which set the stage for the labor theory of value in Ricardo as well as Marx? Knowing that the concepts of utility and labor were both on offer during the eighteenth century as a possible conceptual ground of value, what motivated Smith to opt strongly for labor over utility? The answer is best sought in two areas. First are the socio-economic conditions of the late eighteenth century, which Foucault's archaeological method does not bring into view. Although Smith was by no means the first economist aware of the division of labor, he was the first to elevate the importance of the division within a particular manufacturing firm to the penultimate conceptual position of his economic system. This conceptual advance enabled him to give a more precise—one might say 'scientific'—account of the exponential productivity gains from capitalist enterprise. Smith realized, in other words, that the organization of labor had come to dominate the production-consumption cycle.⁵⁰³ He came down firmly on the side of labor as the determinant of value because the exponential growth that the production process made possible through the division of labor meant that the demand for or utility of each newly produced commodity could no longer determine its value in exchange. The particular utility accorded to each product would not fulfill this role.

503. I am indebted to my adviser Gopal Balakrishnan for this insight.

The second factor is closely tied to the first but addresses more specifically Smith's intellectual heritage. Smith's conceptual shift away from utility towards labor was a definite effect of his rejection of Humean rationalism in favor of what he believed was a more rigorous form of abstraction.

Before proceeding to the substance of this chapter, a word about Foucault's use of the historical archive upon which he bases his analysis is in order. French translations of the collected works of Adam Smith and David Ricardo were given their own volumes in Chez Guillaumin's *Collection des principaux économistes* during the 1840s. The original 1966 French edition by Gallimard of *Les mots et les choses* indicates that Foucault worked from this version of Smith's *Recherches sur la richesse des nations*⁵⁰⁴, whereas the English Vintage Books publication of *The Order of Things* cites the 1776 University Library edition⁵⁰⁵ of *The Wealth of Nations*. In other words it is not clear which source he accessed. In the case of Smith's *Considerations concerning the formation of languages*, *The Order of Things* provides an incomplete citation⁵⁰⁶, but we know from Gallimard that he read an 1860 French translation.

A critique of discontinuity in *The Order of Things*

The conclusion to *L'Archéologie du Savoir* (1969) is cleverly composed in the form of a dialogue between an inquisitor who insists on the "profound continuity"

504. See Foucault, *Lets mots et les choses*, 234-36, notes. In the original Gallimard publication of *Les mots et les choses*, all notes start over at "1" at the bottom of each page.

505. See Foucault, *OT*, 249, notes 1, 2, 4-7.

506. See *ibid.*, 120, notes 10, 32, 44, 51, 90.

inherent to any history of ideas and Foucault himself as defendant of his archaeological method, which is based on radical discontinuities. He is made to address the following objection to his new form of thought: “You have promised to tell us what these discourses are that you have been pursuing so obstinately for the past ten years,⁵⁰⁷ without ever bothering to define their status. In short, what are they: history or philosophy?”⁵⁰⁸ To which he replies:

I admit that this question embarrasses me...I would have preferred to leave it in suspense a little longer. This is because, for the moment, and as far ahead as I can see, my discourse, far from determining the locus in which it speaks, is avoiding the ground on which it could find support. It is a discourse about discourses...Its task is to *make* differences: to constitute them as objects, to analyze them, and to define their concept.⁵⁰⁹

Foucault does not want his work to be confined under either history or philosophy. I think he was always committed to troubling these two terms. As we can see, there was also a certain degree of uncertainty on how to do so—and also whether he has succeeded in sorting out these problems.

He wants to depart from a history of ideas traditionally conceived, yet he is not entirely certain where he’s leading us, other than towards a mode of analysis whose “task is to *make* differences.” For this reason, debates between those who accept Foucault’s contributions to methodology as groundbreaking and as the basis of

507. The ten years being the time from his work on madness in the late 1950s and early 1960s, through *The Order of Things*, and now culminating in his treatise on the archaeological method in the current text in 1969.

508. Michel Foucault, *The Archaeology of Knowledge*, Transl. A.M. Sheridan Smith, (Tavistock Publications Ltd.: New York, 1972), 205.

⁵⁰⁹. Ibid.

new forms of research versus those who note its many incoherencies often devolve into exchanges between scholars talking past each other.⁵¹⁰

In *The Order of Things* the radical break between the Classical and the Modern periods is probably the one that matters most in Foucault's account of economic thought, if only because it is the one that separates our own episteme from what Foucault calls our "pre-history." For this reason I've decided to include an analysis of his concept of discontinuity here.

Rather than formulate a comprehensive critique of other forms of historiography, Foucault poses suggestive questions or statements that indict their methodology as inherently anachronistic or overly linear and teleological. Although he attempts to ground some of his concerns in what he refers to as the "consequences" of other methods, these sections of the book—not really sections at all but a few paragraphs and statements here and there—read like more like summaries of alternative historical methods, not a critique (see page 127-128 for an example of this). Regardless, all this leads Foucault to the problem of continuity and changes in historical thought and in historiography. This seems to present an aporia in his thought. It never gets resolved. Indeed, changes would be too ambiguous of a term for Foucault; rather, he thinks of it differently in terms of "establishing discontinuities":

510. David C. Hoy's response in the early 1980s to Habermas, etc., is characteristic of this. Other examples include the collection of essays in *Foucault Contra Habermas*, ed. Samantha Ashenden and David Owen, (London: Sage Publications, 1999).

We may wish to mark off a period; but have we the right to establish symmetrical breaks at two points in time in order to give an appearance of continuity and unity to the system we place between them? Where, in that case, would the cause of its existence lie? Or that of its subsequent disappearance and fall? What rule could it be obeying by both its existence and its disappearance? If it contains a principle of coherence within itself, whence could come the foreign element capable of rebutting it?⁵¹¹

As can be seen, the epistemological questions are posed rigorously enough towards historiographical method. He goes on to say that, “Discontinuity probably begins with an erosion from outside [...] Ultimately, the problem that presents itself is that of the relations between thought and culture: how is it that thought has a place in the space of the world...?” Although one begins to encounter Foucault’s perspective on how the “outside” “world” affects and encompasses the thought of an age, he hesitates that, “it is not yet time to pose this problem.”⁵¹² The real problem is that he unfortunately never returns to solving this problem.⁵¹³

It would seem intuitively obvious that concepts and ideas develop over time—sometimes faster, sometimes more slowly—but it should be clear by now that this is not Foucault’s position. He adopts a presupposition of radical epistemological breaks separating one historical epoch from the next. What is the basis of his thesis of discontinuity, which plays such a central feature in his concept of history in *The Order of Things*? Why does he adopt a hard and deep historical break to mark the end

⁵¹¹. Foucault, *OT*, 50.

⁵¹². Ibid.

⁵¹³. The concluding sentence of this paragraph: “For the moment, then, let it suffice that we accept these discontinuities in the simultaneously manifest and obscure empirical order wherever they posit themselves,” *ibid.*, 51.

of one period and the beginning of another? And what is the principle by which discontinuity operates in his historical research?

Throughout the 1960s Foucault became deeply troubled by what he understood to be the historiographical presuppositions of the domain of knowledge called ‘the history of ideas.’ His earlier publications on madness⁵¹⁴ and the birth of the clinic⁵¹⁵ are not covered in detail here; but suffice it to say that during the ten years or so between the history of madness and his archaeological treatise⁵¹⁶, his archaeological method underwent fundamental changes. At the time of his work on madness, he conceived of archaeology as a history of a particular concept; then he says just a couple years later in the conclusion to his book on the medical clinic that, “this book is, among others, an attempt to apply a method in the confused, under-structured, and ill-structured domain of the history of ideas”⁵¹⁷; then in *The Order of Things* we witness a full-on assault on the capacity of a history of ideas to grant access to knowledge of the past; and finally in his monograph on methodology he sets down the general principles of this approach to history—after the fact. The archaeological method did not spring up fully formed and fully armed, like Athena

⁵¹⁴. Michel Foucault, *Histoire de La Folie à L'âge Classique*, Nouv. éd. (Collection Tel. Paris: Gallimard, 1978); Michel Foucault, *History of Madness* (London ; New York: Routledge, 2006).

⁵¹⁵. Michel Foucault, *Naissance de la Clinique*, 8e edition, (Presses Universitaires de France - PUF, 2009); Michel Foucault, *The Birth of the Clinic: an Archaeology of Medical Perception*, 1st American ed. World of Man. (New York: Pantheon Books, 1973).

⁵¹⁶. Michel Foucault, *L'Archéologie Du Savoir*, (Paris: Gallimard, 1969); Michel Foucault, *The Archaeology of Knowledge*, (Harper Torchbooks TB1901. New York: Harper & Row, 1976); henceforth *AK* in footnotes.

⁵¹⁷. Foucault, *Birth of the Clinic*, 195.

from the head of Zeus, during his work on madness in the early 1960s. Nor was it completely formulated as his historical research continued on the birth of the clinic. It is an error of interpretation to refer uncritically and monotonously to Foucault's "archaeological phase," as is so often done. Shared themes and commonalities are no doubt there to be found, but Foucault's early career was to some extent an ongoing tarrying-with and only eventually a rejection *tout court* in *The Order of Things* of the 'history of ideas.' What motivated him towards this ultimate conclusion? There can be no doubt that in his final analysis, which is most succinctly argued in the introduction to *L'Archéologie du savior* in 1969, the concept of continuity is a major problem for Foucault because it is the symptom of a "conservative function"⁵¹⁸ that seeks to sustain a humanist subject as the secret and trustworthy ground of all history: "Continuous history is the indispensable correlative of the founding function of the subject."⁵¹⁹ This great fallacy of continuity, he continues, is

the guarantee that everything that has eluded [the subject as ground of history] may be restored to him; the certainty that time will disperse nothing without restoring it in a reconstituted unity; the promise that one day the subject—in the form of historical consciousness—will once again be able to appreciate, to bring back under his sway, all those things that are kept at a distance by difference [...] Making historical analysis the discourse of the continuous and making human consciousness the original subject of all historical development and all action are the two sides of the same system of thought. In this system, time is conceived in terms of totalization and revolutions are never more than moments of consciousness.⁵²⁰

⁵¹⁸ Foucault, *AK*, 14.

⁵¹⁹ *Ibid.*, 12.

⁵²⁰ *Ibid.*, 12.

There are a number of *non sequiturs* in this line of attack. First, the presumption of continuity need not logically presume a subject in the precise sense that Foucault suggests—a subject who enjoys the kind of elusive “unity” that Marx, Nietzsche, and Freud are supposed to have undermined, and whose innate gift of rational consciousness guarantees an idyllic *telos*, even if slowly and incrementally, that liberalism never tires of promising us. Second, and closely related to the first, he presumes that continuity is the same thing as the historical “certainty” of progressive teleology. The concept of continuity need not, however, be conflated so assuredly with certainty of progress. Third, he asserts the absolute impossibility that past historical “difference” can be rationally integrated into a future historical consciousness that is adequately and reasonably capable of making sense of that past. This is important if only because a future historiography is at stake in whether we agree or disagree with Foucault on this point. Defenders of radical difference, in their application of it to our relationship to the past, oftentimes foreclose future possibilities. But who can say what the future holds? So why assume a methodological position in the present with respect to our historiography of the past that has definite consequences—that is, that ties our hands—when it comes to adopting a different historiography in the future? The category of difference need not occupy a Punctum Archimedis. It can better serve us as one among many historiographical categories, where it can tirelessly call us to a ruthless critique, as Marx would have put it. Rather, we are a conscious species, even if we cannot fully account for our unconscious; we are language users, even if the structure of grammar

precedes us as individuals; we rely on abstraction as a form of epistemic action, even if most of our word-concepts are the result of past abstractions. Yet none of these characteristics of being a ‘subject’ guarantees a rational outcome for civilization, which is Foucault’s concern of our own capacity to being uncritical. We are capable of ‘bad’ decisions and bad abstractions, just as much as, if not more often than, ‘good’ ones. But the plasticity inherent in our modes of thought and language-use demands a more radical openness to future possibilities. The category of radical difference, when it is made the organizing principle of historical thought, seems to render such future changes and possibilities impossible.

A fourth presumption on Foucault’s part reveals the underlying problem with continuity: it suggests to him a “totalization” of time. He can be forgiven for recoiling away from such a notion, considering he came of age during World War Two, but the manner in which he identifies time and totality with continuity is another conflation. Finally, he makes a rather wild claim that continuity implies that “revolutions are never more than moments of consciousness”—by this he probably means they might be conceived of as mere moments of fancy or imagination, i.e., not real.

To sum, Foucault conflates continuity with a number of historiographical categories and also historical outcomes that need not follow from it. He arrives at these results due to a simple problem with his concept of history, which is that it adopts an either/or dichotomy between discontinuity and continuity. At first appearance this seems right—they seem to be mutually exclusive. But is the matter so straightforward? There is no room in his schematic for a more complex theory of

history that allows for the simultaneity of discontinuity in some regards and continuity in other, closely related, regards. Conceptual history, however, is precisely the most fertile and flexible domain of history where the simultaneity of, on the one hand, traditions, developments, and continuities can exist side-by-side with breaks, lapses, lacunae, forgettings, and discontinuities on the other.

It becomes possible to think the two dimensions of continuity and discontinuity simultaneously when historiography takes as one of its objects of analysis—which is not to say its only object—the relative degree and form of abstraction at work in conceptual changes. One example should suffice for now to demonstrate how this may be the case. In the mid-seventeenth century William Petty constructed a dualistic theory of economic value based on the two factors of land and labor; he shortly thereafter sought, though unsuccessfully, for a mechanism by which value could be expressed in terms of either land or labor, though he wished to retain the option to choose and even go back and forth between the two. Approximately fifty years later in Paris, Richard Cantillon dismissed Petty's attempts as irrational and without evidence, all the while adopting Petty's prior focus on both factors of land and labor as the basis of value. However, Cantillon developed a method for reducing one factor to the other, and he chose to reduce labor to land. Nevertheless, the concept that value was labor-embodied did not disappear entirely. This ostensible attenuation of the category of labor eventually propelled Adam Smith to break from the past and adopt labor-embodied as the sole basis for value. Over the course of a little more than one hundred years, then, the category of labor went from participating

in a dualistic theory of value to being the privileged factor. There was a degree of continuity in the economic thought on labor that made this possible. At the same time, though, important changes occurred in the concept of labor that required a discontinuity in its specific application and conceptual relation to other key concepts (in this example land). Overall, there was a degree of continuity that underlined the relative discontinuity from one theoretical notion to the next.

Ironically, Foucault's solution to the problem of continuity was to embrace the polar opposite notion of a hard and totalizing discontinuity. This appeared to him an antidote to what he saw as the threat behind totalizing, continuous, and fully conscious history. Opting for one totalizing position as a correction to another did not strike him as paradoxical. I consider this an actual mistake on his part, one that he eventually came to recognize, if his genealogical method during the 1970s, which is much more flexible on this count, can be accepted as evidence of his own self-critique.

In the mid-1960s, however, he did not have to look far to find support for the category of discontinuity. The French philosopher of science Gaston Bachelard developed the notions of epistemological ruptures, obstacles, and thresholds in his psychological studies of the scientific mind.⁵²¹ Foucault refers to Bachelard as providing an alternative to "great continuities of thought." He states:

There are the *epistemological acts and thresholds* described by Bachelard: they suspend the continuous accumulation of knowledge, interrupt its slow development, and force it to enter a new time, cut it

⁵²¹. Gaston Bachelard and M.M. Jones, *The Formation of the Scientific Mind: A Contribution to a Psychoanalysis of Objective Knowledge*, (Clinamen, 2002).

off from its empirical origin and its original motivations, cleanse it of its imaginary complicities...⁵²²

Foucault also cites the “*displacements* and *transformations* of concepts: the analyses of G. Canguilhem may serve as models; they show that the history of a concept is not [...] its abstraction gradient, but that of its various fields of constitution and validity.”⁵²³ This skepticism towards the abstraction gradient, that is, the presumption of an upwards climb towards more abstract and therefore more universally applicable concepts, would be valid if it weren’t for the fact that it is perfectly possible to isolate the numerous “fields of constitution” of a concept in the history of economic thought; in other words, the argument that Foucault is adducing that the movement towards greater abstraction is problematic because concepts can be mobilized in different fields of analysis does not apply once the field being analyzed is reasonably delimited to one in particular in order to track its development within that field. The journey of the concept of labor from Locke’s labor theory of property can be studied in terms of its political history as distinct from its economic, so long as a limited study accepts the limitations of its conclusions.

More than both Bachelard and Canguilhem, Foucault cites “the most radical discontinuities” of Louis Althusser, which are the “breaks effected by a work of theoretical transformation ‘which establishes a science by detaching it from the ideology of its past and by revealing this past as ideological.’”⁵²⁴ This great form of

⁵²². Foucault, *AK*, 4.

⁵²³. Foucault, *AK*, 4.

⁵²⁴. *Ibid.*, 5. With a citation from L. Althusser, *For Marx*, (London, Allen Lane; New York, Pantheon, 1969), 168.

discontinuity, whose task it is to separate mere ideology from proper theory and science, can also be described at a certain level of exhibiting continuities to the by-now isolated and condemned ideology. Marx can be said to have produced a theoretical transformation in political economy that exposed the ideological shortcomings of Smith and Ricardo, but even Marx would acknowledge his work is also to some degree in continuity with their systems. The categories of continuity and discontinuity need not be thought of as mutually exclusive; indeed, the more productive and satisfactory historiographical approach to their relation presumes a certain, if difficult to decipher, simultaneity.

Thus Foucault adopted the notion of epistemological break from Bachelard, Canguilhem, and Althusser and then generalized it to the entire history of European thought. His unique contribution to the concept of discontinuity was to elevate it to an organizing principle of historiography. Only this move towards universal applicability, well beyond the scope that either Bachelard or Althusser applied to it, could answer the question, which Foucault saw it his duty to answer, “how is one to specify the different concepts that enable us to conceive of discontinuity (threshold, rupture, break, mutation, transformation)?”⁵²⁵ The archaeological method is intended to answer this particular question, and it does so by exposing and then blowing up the ground of historical knowledge, which is the subject who has historical consciousness. For this reason, intellectual history, he says, is riven at key points by radical epistemological breaks; historians cannot know the history of ideas *per se*,

⁵²⁵. Foucault, *AK*, 5.

since to presume the ability to do so would be to presume a continuity of consciousness that he does not accept. As a result, historians must take as their object of analysis not the content of ideas, which always suggests continuity, but rather the conditions of possibility of those ideas.

In this vein, in order to make sense of the “data” of the vast archive—in order to give order to the entire history of modern thought, but to do so without presuming any continuity in the development of that thought—Foucault abstracts out of that archive a set of general claims and concepts, purportedly not about the ideas themselves in their positive content, but about what makes them possible in the first place. This is what his concept of *episteme* seeks to explain.

The problem is that his historiographical rejection of any continuity in the history of thought yields a form of abstraction that radically separates the conditions of knowledge from what that knowledge actually posits. The end result is a great contradiction at the heart of *The Order of Things*: Foucault cannot avoid carefully reconstructing the content of ideas even though he is not supposed to have access to them, or worse he ends up presuming *a priori* the very history of ideas for which he purports to explain the conditions, all because it is practically and effectively impossible to talk about the conditions of possibility of ideas without demonstrating what those ideas actually are.

This is the structure of the argument of *The Order of Things*, and it explains a few important aspects of the book, all of which can be listed as effects of his failure to give an adequate account of abstraction as an ongoing epistemic practice. The first is,

to repeat, the strong sense of discontinuity that separates one historical period from another; obversely, during or within any particular historical period, the question of continuity and discontinuity does not exist—it simply is nongermine to the archaeological method because all thought in that period is a faithful effect of the semiotic episteme. Second, Foucault ends up reading the archive in a manner that I refer to as strictly positivistic: an idea-concept cannot be said to have existed until a word for it was used in the literature. In other words, until a concept had a name, it did not exist. Of course, this generates many problems when confronted by the reality of the historical archive, problems that appear almost immediately as counterfactuals to his methodology. An example of *overlooking* a key counterfactual in economic theory is the experience and challenge of enclosures in England in the sixteenth century; an example of *downplaying* a substantive issue that the archive presses upon his historical analysis is the denial that the Physiocrats had a concept of production. Third, he time and again forecloses the possibility that intellectual history can be sure of the development of a discipline such as political economy, despite overwhelming evidence to the contrary. For Foucault, deep discontinuities sever access to knowledge of the past. The science of political economy since the nineteenth century has nothing to say about our “prehistory,” as Foucault refers to all historical periods preceding the early nineteenth century.

Continuity in economic thought for Marx is not only a matter of the incremental discovery of the elemental categories of economic life. Marx’s thought marks a unique moment in that he is able to stand on the shoulders of those

economists who preceded him, and he is studying economics during the generalization of industrial manufacturing and capitalist social relations. This twofold advantage enables him to realize that the “fundamental question at the threshold of the system of modern society” is “at bottom the question of the concept of capital and of wage labor.”⁵²⁶ The capital-wage labor relation is the heart of political economy for Marx, it accounts for the source of all surplus value in unpaid labor time, and Marx uses the specificity of these categories in this relation to evaluate the entire history of economic ideas.

In *Theories of Surplus Value* Marx subjects the entire history of economics to a ruthless critique that exposes the fundamental theoretical failure of every previous economist to grasp the source of surplus value in society. The categories of capitalist social relations and the definition of surplus value are absent from Foucault’s archaeology, right up to and including Foucault’s account of Marx himself. These are the categories of analysis, in other words, that a history of ideas *must* take into account if one is going to say anything at all about the order of things in Europe during the period of the transition to capitalism.

Other historians of economic thought would disagree with Foucault’s strong concept of discontinuity but also err in their portrayal of Marx’s historiography. For example, Marc Blaug’s influential *Economic Theory in Retrospect* (4th ed., 1985) frames the issue in the following manner:

Some writers on the history of economic thought have held out the prospect of judging past theory in its own terms. Literally speaking,

⁵²⁶. Foucault, *AK*, 327.

this is an impossible accomplishment for it implies that we can erase from our minds knowledge of modern economics. [...] The danger of arrogance toward the writers of the past is certainly a real one—but so is ancestor worship.⁵²⁷

It would be going too far to accuse Foucault of ancestor worship. Even though his line of thought seems to embrace the project of judging past theory in its own terms, this too is not quite correct. To understand how Foucault avoids this trap of ancestor worship, it is necessary to understand his belief in mid-twentieth century linguistics as the lever necessary to pry open the secret epistemic conditions of the past. Whereas Blaug would say that knowledge of modern economics necessarily informs any study of its past, Foucault would deny this and suggest instead that knowledge of contemporary linguistics informs the study of past economic theory. Such is the nature of Foucault's "linguistic turn" as it ramifies across his historical research. One need only point, once again, to his emphasis on the semiotic structure of words as the ground of intellectual history.

Blaug poses a more traditional question in order to decide whether there is continuity or discontinuity in the history of economic thought. He asks has economic theory progressed? He basically agrees with Foucault about the unscientific character of early economic reasoning before the seventeenth century. Blaug describes it as "*ad hoc*, unsystematic and devoid of the recognition of an autonomous sphere of economic activity."⁵²⁸ Foucault's "pre-history" of economics is Blaug's "paleontology." Following that, starting in the early seventeenth century, there

527. Blaug, *Economic Theory in Retrospect*, 1.

528. Blaug, *Economic Theory in Retrospect*, Preface to the Second Edition, x.

appears the “analysis of wealth” from Foucault’s perspective, and this more or less corresponds to Blaug’s genesis of economics as a separate discipline of inquiry. There the similarities between these two historians end and their differences become apparent. For in answer to the question of whether there has been progress in economic theory, Blaug asserts, “clearly, the answer is yes.”⁵²⁹

To be clear, Blaug’s *Economic Theory in Retrospect* is no simple chronicle of the forward march of economic theory and ideas. It provides a concise account of the intellectual conundrums that beset the intellectual historian. The nuances in Blaug’s epistemology are appreciable. First, while he focuses on economic thought, his general methodological concern is widened to all of intellectual history. Blaug claims to draw from German philosophy for inspiration, but without much clarification on this point. He then describes two opposing camps that are polar opposites on a continuum of approaches to epistemic conditions, after which he presents further subdivisions within these two main approaches. The main dichotomy in Blaug’s account is between an “absolutist” versus “relativist” historiography. The absolutist “has eyes only for the strictly intellectual development of the subject, regarded as a steady progression from error to truth”; the relativist “regards every single theory put forward in the past as a more or less faithful reflection of [its own] contemporary conditions, each theory being in principle equally justified in its own context.”⁵³⁰ Despite a helpful review of debates among economic historians regarding the epistemology of their study of the past, in the end Blaug fails to provide a precise

529. Blaug, *Economic Theory in Retrospect*, 7.

530. Ibid., 2.

theory of intellectual history that adjudicates between these two polar opposite camps and that avoids the pitfalls of both. His own position is simply that “Criticism implies standards of judgment, and my standards are those of modern economic theory.”⁵³¹

Foucault’s *Order of Things* can fairly easily be included in Blaug’s relativist branch of history. So does Marxist history, but I argue this is problematic. Blaug suggests that one of the subdivisions of the relativist fold is that “the ideas of economists are nothing more than the rationalization of class or group interests,” which is equated with “the doctrine of ‘ideology’ or ‘false consciousness’ which in its Marxist form is forever equating ideological basis with apologetic intent.”⁵³² He provides recent examples of this approach⁵³³ and then criticizes them as “untenable” to the extent that they tend “to ignore considerations of internal coherence and explanatory scope and to fix attention solely on congruence with the historical and political environment.”⁵³⁴ To the extent that any history of economic thought does this, it would indeed be inadequate. His attribution, however, of “Marxist” to this line of thought does not exemplify Marx’s own approach to intellectual history in *Theories of Surplus Value*. In fact, Blaug’s entire schematic of absolutist vs. relativist fails to elucidate Marx’s approach, for Marx made use of elements of both Blaugian absolutism and relativism. (Once again the actual logic of the history of ideas evades the hard dichotomies that historians seem to want to ascribe to it.) In *Theories of*

⁵³¹. Blaug, *Economic Theory in Retrospect*, 1.

⁵³². Ibid., 2.

⁵³³. Including E. Roll, *History of Economic Thought* (1939); W. Stark, *History in Its Relation to Social Development* (1944); and L. Rogin, *The Meaning and Validity of Economic Theory* (1956).

⁵³⁴. Blaug, *Economic Theory in Retrospect*, 2.

Surplus Value, there are numerous “relativist” connections that Marx makes between an economist and the class interests they represented. There’s also the “absolutist” element in Marx’s critique, which is not to say he merely tracked a teleology of necessary or clear progress from error to science; rather, as indicated in the title of his intellectual history, Marx interrogates the conceptual history of surplus value, even though prior economists did not consciously adopt or use this particular term. The organization of Marx’s intellectual history under the category of surplus-value is Blaugian absolutist in the sense that it entails a presumption that prior economic theories were attempts to define social wealth, even if they generally failed to identify the specific source of that wealth in the unpaid labor-time of wage labor.

The somewhat exceptional character of Marx’s approach—exceptional with respect to Blaug’s dichotomy, at any rate—stems from a couple factors. First, intellectual history was not something Marx did for its own sake, unlike much of the professional academic literature in the latter nineteenth century when history, under the influence of Comtean positivism, became an academic discipline. *Theories of Surplus Value* was the necessary and specifically historical component of Marx’s wider systematic critique of the categories of political economy. It was carried out in preparation for and must be understood as complementary to the economic science of *Das Kapital*. There is a unity of thought between the historical inquiry in *Theories of Surplus Value* and the theory itself in *Das Kapital*, volumes one through three.⁵³⁵

535. Marx intended *Theories of Surplus Value* to be one volume of his larger economic science.

Indeed, Marx's thought not only allows for but actually mandates both Blaugian relativist and absolutist strategies.

Where we might fault Marx is in his failure to provide a rational bridge between the absolutist and relativist approaches. In other words, he made use of both forms of inquiry but the link between them is something he fails to make clear. This gives rise to the impression that he simplistically reduced economic theories to the class status of the economist, a charge that Blaug makes explicitly and Foucault implicitly. But once we attribute to prior economists the character of thought that we ascribe to Marx, namely the faculty of abstraction as an epistemic action, the link between absolutist and relativist historiographies is solved. This is to say, Marx perceived with acuity the outer limits of theoretical progress of other economists, and he oftentimes portrayed the horizon of their thought as a function of their class affiliation, but he purchased these victories at the expense of acknowledging the extent to which their intellectual labor was part of a real, live, and ongoing research project to comprehend the socio-economic structure of Europe as it snowballed towards advanced capitalist social relations and the mode of production proper to it.

We can now conclude this review of various relativist and absolutist historiographies of intellectual history. Blaug concludes, "the task of the historian of economic thought is to show how definite preconceptions lead to definite kinds of analysis and then to ask whether the analysis stands up when it is freed from its ideological foundation."⁵³⁶ An example of this kind of approach makes room for the

536. Blaug, *Economic Theory in Retrospect*, 5-6.

conclusion, for instance, that Ricardo's theory of international trade was probably motivated by his "animus against the landed class; but this theory survives the removal of his prejudices."⁵³⁷ Blaug's method is rigorous because it accepts ideological bias, political intent, social context, as well as the internal logic of ideas themselves. It fails to explain precisely how the historian can free past thought from its ideological foundation, but it is safe to presume that this is where Blaug's own declared principle steps in: "Criticism implies standards of judgment, and my standards are those of modern economic theory."⁵³⁸ We might see Blaug's own bias subtly at work in the more concrete claim that "the problem that gave rise to economics in the first place, the 'mystery' that fascinated Adam Smith as much as it does a modern economist, is that of market exchange."⁵³⁹ The order of things imposed by a system of exchange between individuals seeking to maximize their gains is how Blaug clarifies this "mystery." This is precisely the same "problem" that Foucault identifies at the heart of the Classical period when he identifies exchange with the representation of utility in the eighteenth century.

Marx was no doubt interested in these very things, but he goes one step further than Blaug and Foucault. Market exchange represented the appearance of the problem, not its essence. The history of economic thought for Marx was about how Western society, in the various forms of composition of its essential social relations, realized both in actuality and in thought surplus value, and how the particular

537. Blaug, *Economic Theory in Retrospect*, 6.

538. Ibid., 7.

539. Ibid., 6.

configuration of capitalist relations came to predominate until it characterized the general form of society. Perhaps the “mystery,” to use Blaug’s term, that Marx identified at the twilight of the eighteenth century was the growing realization that wage labor represented a utility specifically for capitalists, thus bridging the phenomenon and appearance of exchange with the essence of modern society.

“Man” as subject and object of knowledge is the ground of the Modern episteme

The following is a reconstruction of Foucault’s transition from the Classical period to the Modern episteme, along with all of the consequences it entailed into the twentieth century. Following this reconstruction, I reveal the rather diffident nature of Foucault’s assertion regarding the appearance of Man for the first time in the early nineteenth century. I question the logical necessity of his suggestion that a conception of Man is new and unique to the modern period. I argue that Foucault arrives at this point in his analysis because he has failed to give an adequate account of the role of abstraction in various domains of knowledge, especially political economy. This section on the modern episteme then segues into the following section on the eighteenth century “science of man” discourse, and how it had already developed the very concept of Man that Foucault believes appears for the first time much later.

At approximately the turn from the eighteenth to nineteenth centuries, there began an “archaeological event”⁵⁴⁰ so important that it separates our “prehistory

540. Foucault, *OT*, 307.

[from] what is still contemporary”⁵⁴¹ to us. Foucault is referring here to the passage from the Classical to the Modern episteme. This transition is based upon the irruption in thought of three new categories: life, labor, and language. “There is no life in the Classical period, nor any science of life; nor any philology either [...] In the same way, there is no political economy, because, in the order of knowledge, production does not exist.”⁵⁴² Their effect is essentially to give birth to the Modern episteme of Man.

But one of these three categories is not like the others. One set of phenomena occurs in the world of ideas at this time that comes to occupy a “privileged position”⁵⁴³ in his analysis. Namely, “when words ceased to intersect with representations and to provide a spontaneous grid for the knowledge of things,” and, “when the unity of general grammar – discourse – was broken up, language appeared in a multiplicity of modes of being.”⁵⁴⁴ This multiplicity can be thought of in terms of the development of new yet autonomous fields of thought rooted in language; new disciplines like philology, exegesis, linguistics, and literature all had their own distinct set of codes and functions.

The essential difference between Classical words-as-representations and words in the modern era is the newfound awareness that there are rules and laws of meaning that come before the act of signification. No one creates the grammatical rules of the language they use when they signify meaning or use language to represent

541. Ibid., 304.

542. Foucault, *OT*, 166.

543. Ibid., 304.

544. Ibid., 304.

the world. “The word is no longer attached to a representation except in so far as it is previously a part of the grammatical organization by means of which the language defines and guarantees its own coherence.”⁵⁴⁵ In the early nineteenth century Schlegel, Bopp, Grimm, and Rask discovered grammar, or more precisely, the positivity of language.⁵⁴⁶ The rules of grammar are temporally prior to the individual who uses language. If in the Classical era knowledge was given through language in the form of a great, expanding, and two-dimensional table of knowledge on which objects of analysis were registered side-by-side in their proximate identity and difference from each other, in the Modern era language itself becomes an object of analysis as philologists inquire into the unique grammatical structure and origin of the Indo-European languages. More importantly the table of knowledge of representations is shattered or, rather, punched through and thus given depth in a spatialized three-dimensionality. The depth or internal thickness of language is now recognized as the condition of possibility of all representations that had, in the prior period, been taken for granted. Under modernity, one must not only give an account of representations through language but also give an account of—or at least be aware of—how language is able to make meaning by virtue of its own structure, rules, and history,⁵⁴⁷ all of which are autonomous from its capacity to represent.

545. Foucault, *OT*, 280-1.

546. Foucault references Schlegel’s essay on the language and philosophy of the Indians (1808), Grimm’s *Deutsche Grammatick* (1818), and Bopp’s book on the conjugation system of Sanskrit (1816); see *ibid.*, 282.

547. “The material unity constituted by the arrangement of sounds, syllables, and words is not governed by the mere combination of the element of representation. It has its own principles, which differ from language to language,” *ibid.*, 283.

Foucault believes there has been a failure to appreciate this rise of philology. He says it passed nearly “unperceived.”⁵⁴⁸ This is one way in which he distinguishes between the fate of “unperceived” changes to language on the one hand and economics on the other in the early nineteenth century. Unlike the former, Smith and Ricardo’s labor theories never went unperceived; rather, quite the opposite, they were quickly taken up as orthodoxy at the highest levels of elite politics and social thought. Philology is no mere esoteric discipline, however; rather, it is the “whole mode of being of language (and of our own language) that had been modified through it.”⁵⁴⁹

One more dimension of language came to the attention of philologists around 1800. This is the relation of its sound to its script. The audible, vibratory nature of language proved important for the entire nineteenth century. “It is accepted from now on that language exists when noises have been articulated and divided into a series of distinct *sounds*. The whole being of language is now one of sound.”⁵⁵⁰ In other words, its vibratory nature that distinguishes it from its visible signs renders it more like the notes of music. For this reason Foucault argues that Saussure’s theory of the sign “had to by-pass” nineteenth century philology in order “to restore, beyond its historical forms, the dimension of language in general, and to reopen, after such neglect, the old problem of the sign.”⁵⁵¹ Foucault is telling us that Saussure returned the study of language to the fundamental question posed in the seventeenth century by the Port-Royal Logic, which is the question about how words-as-signs function.

548. Foucault, *OT*, 281.

549. *Ibid.*

550. *Ibid.*, 286.

551. *Ibid.*, 286.

But prior to the twentieth century's born-again interest in the semiotic character of language, nineteenth century philology, at the outset of the Modern episteme, was busy discovering another basis of language, that of sound.

Foucault is attempting to demonstrate that multiplicity of language in the Modern era should suggest its relative greater importance in relation to the other domains of knowledge that he tracks. At the time of the eclipse of the Classical episteme, natural history and the analysis of wealth, which were the historical precursors to biology and political economy, underwent analogous major transformations in that they were both *unified* or "regrouped under the central facts" of "life" and "production."⁵⁵² Whereas political economy enjoys unification under labor theories of value, this is the opposite of the fate of language, which experiences what Foucault thinks of as dispersion.

The Modern episteme is thus characterized by a profound separation in how its conditions of knowledge determine developments within the three empiricities that came into being during the Classical period. Language will separate, pull ahead of, Labor and Life and become the primary lens through which society can know itself in its positivity. Against Foucault's analysis, it should be pointed out that, like language, political economy experienced its own series of 'dispersions' after its initial unification. At the moment when Smith's labor theory of value became dominant, or perhaps slightly earlier with Sir James Steuart's effort to carve out a niche for political economy as a science, an initial dispersion was occurring as economics and

552. Foucault, *OT*, 304.

political science were separated from each other. From this point on, economics and political science were generally assumed to be entirely distinct domains of thought. More importantly there was a blowback by utilitarians against the labor theory of value not long after Marx. The so-called marginal revolution at the very least signaled a profound disagreement within nineteenth century economic circles; Foucault elides these conceptual disagreements. Furthermore, Foucault's notion that the labor theories of value were unified does a great dis-service to the disagreements among Smith, Ricardo, and Marx (see chapter four for more on this). To sum up, Foucault's account of political economy in the nineteenth century is partial, one-sided, and somewhat arbitrary.

The fate of political economy is only part of the story of the modern period. As the subtitle of *The Order of Things* suggests, his archaeology is of the *human* sciences, that is, those forms of positive knowledge peculiar to the twentieth century that take as their explicit object of study the figure of Man itself. The human sciences are different from the empirical sciences, including political economy, in that the latter do not take Man as such as their object of analysis, although they called it into existence in the first place, thus creating a need, if you will, for the human sciences.

From the beginnings of Ancient Greek civilization, explains Foucault, history was unified "as a vast historical stream."⁵⁵³ There was an unproblematic unity between humanity and the entirety of being. Smith and Ricardo shattered this in the early nineteenth century. In place of the happy unity between Man and all Being that

553. Foucault, *OT*, 367.

held sway for millennia is a far more ambivalent historical consciousness caused by the empirical sciences of biology, political economy, and philology, in which the figure of Man is both the subject and object of knowledge: “When the analysis of wealth becomes economics, when, above all, reflection upon language becomes philology [...] man appears in his ambiguous position as an object of knowledge and as a subject that knows: enslaved sovereign, observed spectator.”⁵⁵⁴ This double feature and function of the individual is the foundation of Foucault’s modern episteme; at the same time, this concept of the human leaves us riven by uncertainty and anxiety because of this double bind of being both subject and object. Why?

Because

he constitutes himself as a subject of history only by the superimposition of the history of living beings, the history of things, and the history of words [...] But this relation of simple passivity is immediately reversed; for what speaks in language, what works and consumes in economics, what lives in human life is man himself.⁵⁵⁵

In other words Ricardian economics instantiated in the order of knowledge a figure of Man who was the foundation of economic thought, because “Ricardo had required labour to provide the conditions of possibility of exchange, profit, and production.”⁵⁵⁶ As the *cause* of Man’s appearance, political economy and biology cannot but oscillate endlessly between these two poles of Modern humanity’s being. The *effect* of Man’s appearance, which is to say the effect of political economy and biology, is the evolution towards the human sciences of psychoanalysis, ethnology, and sociology,

554. Foucault, *OT*, 312.

555. *Ibid.*, 369.

556. *Ibid.*, 312.

each of which in their own way actively incorporate into their methodology Man as such—Man as both subject and object.

Psychoanalysis and ethnology, unlike political economy and biology, are constantly “taken back to their epistemological basis, [thus] they ceaselessly ‘unmake’ that very man who is creating and re-creating his positivity in the human sciences.”⁵⁵⁷ Whereas empirical knowledge seems condemned to oscillate helplessly in the duality of Man’s modern existence, the human sciences fare marginally better in addressing this most vexing of all Modern questions because at least they have the capacity to point out to this figure its own duality. Knowing is half the battle, one might suppose. However, though critically aware of Man’s ambiguous and finite place in the order of Modernity, they merely and effete point it out.⁵⁵⁸

This leaves one and only one domain of positive knowledge of Modernity still to account for in this archaeology. This is the point in the argument at which the dispersion of language as it transitions from philology to formal linguistics takes on added importance. At last there is the possibility of a science whose positivity is “exterior to man (since it is a question of pure language)” yet capable of encountering “the question of finitude (since it is through language, and within it, that thought is able to think: so that it is in itself a positivity with the value of a fundamental).”⁵⁵⁹ In other words, linguistics meets all the criteria of a Modern-era historiographical

557. Foucault, *OT*, 379.

⁵⁵⁸. Hayden White’s analysis mistakenly collapses the distinct historical roles that Foucault ascribes to the three empiricities, the human sciences, and linguistics vis-à-vis the one thing they share, which is “Man” as episteme; Hayden White, “Foucault Decoded: Notes from Underground,” *History and Theory* 12, no. 1 (1973): 24-5.

559. Foucault, *OT*, 381.

Archimedean point. First, it is capable of addressing the central paradox of Modernity in the figure of Man; second, it is a positive form of knowledge in its own right due to its formal structure; third, it is “doing no more than resuming the functions that had once been those of biology or of economics when, in the nineteenth and early twentieth centuries, an attempt was made to unify the human sciences under concepts borrowed from biology or economics.”⁵⁶⁰ Actually, it does more than what this last point suggests.

The critical question is on what basis can Foucault claim to study history while thinking from the vantage point of the Modern episteme when, as he asserts unequivocally, “in any given culture and at any given moment, there is always only one episteme that defines the conditions of possibility of all knowledge”?⁵⁶¹ We have at last arrived at the point at which we can bring into clear view the totality of the Modern episteme that provides the basis for both our historical glance backwards into the past as well as forward into the future. The question is not so much how to avoid an historiographical performative contradiction, since all intellectual historians must confront the difficulty of writing about the past from the vantage point of the present. Rather we must push through to the fullest possible understanding of the concept and role of language in *The Order of Things*. Language is two things in the Modern era. It is both an historical phenomenon specific to this, our own, period, and it is also a formal piece of the argument. It is the axis on which the entire historical analysis turns:

560. Foucault, *OT*, 381.

561. *Ibid.*, 168.

What occurred at the time of Ricardo, Cuvier, Bopp, the form of knowledge that was established with the appearance of economics, biology, and philology, the thought of finitude laid down by the Kantian critique as philosophy's task—all that still forms the immediate space of our reflection. We think in that area.⁵⁶²

While also providing the hint of new things to come in a future:

Language is now emerging with greater and greater insistence in a unity that we ought to think but cannot as yet do so, is this not the sign that the whole of this configuration is now about to topple, and that man is in the process of perishing as the being of language continues to shine ever brighter upon our horizon?⁵⁶³

The “being of language” will be responsible for Man's homicide. Foucault sees his archaeological method as an important step towards the task of overcoming the limitations of the Modern episteme. For if it is true that the conditions of knowledge always eventually shift, then it must be the case that Foucault's own archaeological thought-form is historical in nature. Better yet, he sees it as a transitional form of thought at the end of the Modern period. Such Nietzschean narcissism is an important part of understanding the purpose of *The Order of Things*.

Language crosses over into the realm of pure ontology because, in Foucault's account, it “permits the structuration of contents themselves [and acts as] the principle of a primary decipherment.” The science of linguistics calls language back to a unity that it lacked during its dispersion in the nineteenth century. This all comes to a climax in Foucault's head as he imagines a dialogue between Nietzsche and Mallarmé: “we are led back to the place that Nietzsche and Mallarmé signposted when the first asked: Who speaks?, and the second saw his glittering answer in the

562. Foucault, *OT*, 384.

563. *Ibid.*, 386.

Word itself.” In keeping with the initial theoretical modus at the outset of *The Order of Things* that interrogates all knowledge in terms of the sign-structure, Foucault concludes that when using a mode of reason grounded in linguistics, “things attain to existence only in so far as they are able to form the elements of a signifying system...it is constitutive of its very object.”⁵⁶⁴

Since the terrain of analysis in *The Order of Things* is determined by the being of language and its capacity not only to make meaning but also to constitute those very objects around which meaning coheres, and since it assiduously avoids a serious consideration of that which is outside of language, most importantly concrete social history but also forms of abstraction that reduce the complexity of thought into concrete linguistic iterations, Foucault’s answers to these epistemological questions are by necessity limited to, reduced to, the order of being of language. It is a type of circularity, whereas it seems to me that a sounder approach would be to focus on the mutually determining relations that language shares with history and abstractive processes. This is an unsatisfactory historiography, not because it lacks rigor applied to its own object of analysis, but because the object of analysis is too limited.

Paul Rabinow claimed that Foucault

never intended to isolate discourse from the social practices that surround it. Rather, he was experimenting to see how much autonomy could legitimately be claimed for discursive formations. His aim, *then as now*, was to avoid analyses of discourse (or ideology) as reflections...of something supposedly ‘deeper’ and more ‘real.’ [Emphasis added.]⁵⁶⁵

564. Citations in this paragraph are taken from Foucault, *OT*, 381-382.

565. Paul Rabinow, ed., *The Foucault Reader* (Pantheon Books, 1984), 10.

This is far-too-friendly a reconstruction of Foucault's early commitments to linguistics as an objective ground upon which all thought and social practices could be based. Foucault's analysis *The Order of Things* went way beyond probing the mere "autonomy" of discursive formations. As he makes clear, the constitution and even existence of objects hinges on a signifying system. Second, the emphasis I've added is meant to register a tendency within the literature to gloss over actual arguments by Foucault in a way that establishes continuities in Foucault's thought that may not be there. With regard to Foucault's heightened degree to which a bridge from the past to a future is grounded in formal language, it requires without equivocation a formalization of thought that is also a reduction of thought to that which can be known in terms of its positive sign-structure. This, per Rabinow, demonstrates how Foucault "has been consistently materialist."⁵⁶⁶ In this approach, materialism is equated with language itself. There is no possibility for, say, the material abstractions that Marx constructed as concrete reflections of social existence.

The ultimate effectiveness of this historiography that grants special status to language must be comprehended in light of not only its expansive evaluation of the phenomena of Modernity, including the dispersion of language, but also in terms of its fundamental attenuation of the status of economic ideas to the category of language. What is meant by the attenuation of economics to language? As outlined above, Foucault is attempting to capture the epistemic conditions from the nineteenth century thru to today that can account for the existence of both a science of

566. Rabinow, *The Foucault Reader*, 10.

economics as well as the appearance of new domains of knowledge including linguistics, psychoanalysis, and ethnology, etc. Nietzsche will ultimately provide Foucault the critical vantage point that he needs to foreground language as the most important vector of analysis (in light of its Modern dispersion) and to suggest a path out of this problem in whose wake twentieth century thought remains caught up. The irrecoverable unity of language explains why

philosophical reflection for so long held itself aloof from language. Whereas [philosophy] sought tirelessly in the regions of life and labour for something that might provide it with an object, or with its conceptual models, or its real and fundamental ground, it paid relatively little attention to language [...] Language did not return into the field of thought directly and in its own right until the end of the nineteenth century.⁵⁶⁷

This account of the philosophy of language is predicated on Foucault's own novel and somewhat arbitrary distinction between theories of phonetics and sound, which he portrays as fundamentally different from language as a system of words. He acknowledges that phonetics was a topic of study throughout the nineteenth century, but language as a signifying system of words was not. There were, in fact, theories of language in the nineteenth century that can be thought of as precursors to the linguistic turn. "John Stuart Mill's work in 1843 reinvigorated British empiricism and included an approach to language that traced the meanings of individual words to the objects to which they referred."⁵⁶⁸ In response to Mill, in the last two decades of the nineteenth century, Frege's "philosophical method was finally beginning to take a

567. Foucault, *OT*, 304-05.

568. Michael P. Wolf, "Language, Philosophy of," Internet Encyclopedia of Philosophy," <http://www.iep.utm.edu/lang-phi/#H1>.

radically ‘linguistic turn’ – investigating language in order to best deal with ontological or conceptual problems.”⁵⁶⁹ At any rate, according to Foucault “Nietzsche the philologist” opened up a “philosophical-philological space”⁵⁷⁰ in Modern thought, thereby setting the stage for what we, today, must bring to completion. Foucault’s point, however, is to argue that under the Modern episteme language has become an object of analysis in its own right,⁵⁷¹ and in this sense his archaeological method continues in this vein.

It is possible to put Foucault’s interest in linguistics into the context of his time. After World War Two it was a common characteristic of social analysis to lean on language as a touchstone for social analysis. From systems theory to Heidegger’s claim that language was the “house of being” to Merleau-Ponty and Barthes’ popularization of Saussure’s semiotics, Foucault was simply taking up and attempting to put to use in critical social thought the apparent promises of language.⁵⁷² Few, however, actively paved a path for understanding linguistics as a medium that promises an epochal revolution in the conditions of knowledge. This is both the ambition and hubris—and one might say Pyrrhic voyage—of *The Order of Things*.

What we can recover from this rational reconstruction of Foucault’s Modern episteme of “Man” is that the no-exit condition in which this unhappy figure finds himself can be thought of as corresponding to that of the abstract individual of

569. Dorothea Lotter, “Frege, Gottlob: Language,” Internet Encyclopedia of Philosophy,” <http://www.iep.utm.edu/freg-lan/#H1>.

570. Foucault, *OT*, 305.

571. See the section titled “Language Become Object,” Foucault, *OT*, 294-300.

572. James E. Miller, *The Passion of Michel Foucault* (Simon & Schuster: 1993), 133.

bourgeois ideology: the individual who enjoys natural rights but whose rights seem to flow from the fiction of a state of nature that ignores the history and even politico-economic necessity of primitive accumulation.

The proper antidote to this dilemma, from Marx's perspective, is not a linguistic turn but rather a proper understanding of the historically specific social relations that created "Man" as well as the form of thought—ahistorical to the core—that has seemed proper to it so long as the purpose of thought is to justify and not ruthlessly criticize it. Foucault's archeological method points out the possibility of an alternative future but its path to get there hinges precariously on the minutiae of language.

The Scottish Enlightenment "Science of Man"

Foucault's break down of the eighteenth century "science of man" literature is cursory and amounts to a tautology in the following form. "The Classical episteme is articulated along lines that do not isolate, in any way, a specific domain proper to man."⁵⁷³ In other words the Classical period, which includes the eighteenth century, is governed by the representation episteme; if so, the thought and language of this period was unable to entail a concept of Man as the basis of knowledge, because doing so would have implied that thought had already broken free of representation; therefore the analysis of human nature during the eighteenth century could not have entailed a concept of Man proper as the ground of knowledge. Actually, the science of

⁵⁷³. Foucault, *OT*, 309.

man literature from this period is vast, yet Foucault does not cite any of its major or minor works. Part of my critical methodology in each chapter has been to revisit not only the historical archive that Foucault included in his narrative but also certain lacunae in his account of the transition to modernity. The lacuna I feature in this chapter reviews certain aspects of the science of man debates. In doing so I argue that Foucault's analysis is one-sided. He interprets the representation episteme as singularly guided by Cartesian rationalism.

The 'I think' and the 'I am' of the being undertaking it – that very discourse remained, in a visible form, the very essence of Classical language, for what was being linked together in it was representation and being.⁵⁷⁴

It may be true that representational thought is rationalistic, but my argument hinges less on the veracity of this claim than on the fact that Foucault overlooks a quite different form of non-rationalistic thought, very active and making great strides throughout these two centuries. Baconian scientific abstraction was immediately put into practice as a framework to study the social world by Petty in the late seventeenth century. Richard Cantillon also attempted to practice it in mid-eighteenth century France. This was no accident. In the *Novum organum* Bacon is unequivocal that his method should be practiced in the study of man and society, not only the natural world:

It may be asked whether I speak of natural philosophy only, or whether I mean that the other sciences, logic, ethics, and politics, should be carried on by this method. Now I certainly mean what I have said to be understood of them all; and as the common logic, which governs by the

⁵⁷⁴. Foucault, *OT*, 311.

syllogism, extends not only to natural but to all sciences; so does mine also, which proceeds by induction, embrace everything.⁵⁷⁵

In chapter two I adduced evidence that Bacon thought of his method of induction in terms of the category of abstraction. In this section we learn that Adam Smith, learning from Francis Bacon,⁵⁷⁶ drew upon abstraction conscientiously in *The Theory of Moral Sentiments* (1759) to counter the rationalistic tendencies of David Hume.

At stake is a historically accurate intellectual history of the concept of Man, or “*l’homme*” as it is rendered in *Les mots et les choses*.⁵⁷⁷ I would argue that “Man”⁵⁷⁸ is not so much an episteme unique to the modern period as it is a concept and an abstraction like any other. Like other concepts it undergoes more than one phase of interrogation, each contributing to different forms of knowledge specific to the intellectual possibilities and constraints of those periods. As such, a line—certainly not straight—might be traced from Scottish Enlightenment theories of human nature to the contemporary human sciences of psychology, linguistics, sociology, and anthropology featured by Foucault towards the end of *The Order of Things*.

The previous section on the Modern episteme showed how the concept of Man is a problem because Man is both the subject and object of knowledge. So the

⁵⁷⁵. Bacon, *The Great Instauration*, 16.

⁵⁷⁶. Redman asserts, “we know, for instance, that Smith owned Bacon’s complete works,” *Rise of Political Economy*, n. 20, 19.

⁵⁷⁷. Foucault, *Les mots et les choses*, 314.

⁵⁷⁸. It may be more accurate to say “the Human” as opposed to using the gender-specific term, but because my analysis is a critique of Foucault’s theory and he uses the term “Man,” I oftentimes follow him in this regard in order to make clear that his theory is my object of analysis. Also, it might be premature to suggest that Foucault’s theory can be generalized beyond the exclusion inherent to his use of the gender-specific term; this is to say a specifically feminist critique of his concept of *l’homme*/Man, which I do not attempt, may well be in order.

critical question before us at this point is: were the moral philosophers of the eighteenth century already aware of the problem of man as both subject and object of analysis? Clearly they were. I adduce an analysis demonstrating their conscientious approach to abstraction as a means to formulate and answer the critical questions of their day. In other words they were conscious of how their own form of thought, which was in part guided by the use of abstraction as an epistemic action, inflected and drove their theoretical explorations into human nature. Indeed, Hume and Smith, in particular, were both highly sensitive to the manner in which a philosopher's thoughts might get in the way of a clear and sober analysis of the true nature of man.

I draw principally from Adam Smith's *The Theory of Moral Sentiments*,⁵⁷⁹ while referencing by way of context other important texts from the Scottish Enlightenment, including Bernard Mandeville's *The Fable of The Bees: or, Private Vices, Public Benefits* (1714; volume two, 1732) and Francis Hutcheson's *A System of Moral Philosophy* (1755). Before an in-depth analysis of Smith's theory of the individual, I demonstrate the extent to which Smith both learned from but also rejected David Hume's *A Treatise of Human Nature* (1739 - 40) and *An Enquiry Concerning Human Understanding* (1748). What Smith rejects from Hume is

⁵⁷⁹. I consulted three versions of Smith's *The Theory of Moral Sentiments*, henceforth *TMS* in notes: Adam Smith and Johann Jakob Thurneysen (Basil: 1793); Smith, Glasgow Edition of the Works and Correspondence of Adam Smith, (Oxford [Eng.]: Clarendon Press, 1976); Adam Smith and Knud Haakonssen, Cambridge Texts in the History of Philosophy, (Cambridge, U.K.; New York: Cambridge University Press, 2002). Unless noted otherwise I refer to (Glasgow: 1976); Haakonssen (2002) came with a helpful introductory essay.

specifically Hume's utilitarianism, which Smith says is a reflection of a philosopher's rationalistic failure to abstract from the particular to the general correctly.

Following Foucault, let us suppose for a moment that the moral philosophers were merely attempting to represent human nature in their respective theoretical systems. Foucault does not cite *The Theory of Moral Sentiments* in *The Order of Things*, yet Smith opined there:

As we have no immediate experience of what other men feel, we can form no idea of the manner in which they are affected [...] It is by the imagination only that we can form any conception of what are his sensations. Neither can that faculty help us to this any other way, *than by representing to us what would be our own, if we were in his case.* [Emphasis mine.]⁵⁸⁰

But it would be a fallacy of composition to extrapolate from this single instance of Smith's notion that we must represent others' sensations to ourselves to the broader notion that Smith's form of thought is governed by representation in the process of formulating his theory of human nature. His mode of presentation of his argument in the text, where he finds it felicitous to reference representation, is one thing, whereas his mode of analysis is of another, though obviously related, order. A more comprehensive and in-depth reading of the text reveals how Smith's mode of analysis is predicated upon the ability to abstract from what one can observe at the level of the particular to the general condition and concept of Man at which he ultimately arrives.

This is to say two things: First, I am not reading something into the text that is not there, even though I am distinguishing between his mode of analysis and his

580. Smith, *TMS*, I.I.2.

mode of presentation of the argument; rather, the mode of analysis can be discerned by a superior close reading of the text itself. Second, if the first statement is true, then it follows that whatever the theory is, it is not ‘governing’ Smith’s thought; rather, the theory is itself governed by a mode of analysis predicated on abstraction as an epistemic action.

The Theory of Moral Sentiments is “not interested in any metaphysics of morals.”⁵⁸¹ Rather, Smith was interested in identifying “which features of morality appeared to be universal to humanity and which ones appeared more or less historically variable.”⁵⁸² I partly agree with this distinction, but it is going too far to suggest that Smith thought in terms of historical variability. To observe variability between and among individuals is easy, but this does not mean Smith engaged in historical analysis. At any rate, his rejection of metaphysics in favor of induction barred a top-down, rationalistic method of inquiry in favor of an empirical study that worked its way “upwards” towards the more general condition of individual human nature.

It would also be a mistake to think that Smith’s concern was merely how to separate universal features of human nature from more particular, and therefore possibly arbitrary, ones; rather, his thought was grounded by a process of abstracting from the particular to the universal, thereby assuring an organic link between that which is observable in individual cases and what transpires at the level

581. Smith and Haakonssen, *TMS*, viii.

582. *Ibid.*

of society. We will see how this aspect of the relation between the individual person and her existence in society was crucial to Hume as well.

“The universality in question was entirely a matter of empirically observable generality; Smith was simply suggesting that without certain elementary and quite general features we would not be able to recognize an existence as a *human* life.”⁵⁸³

I agree with this interpretation of *The Theory of Moral Sentiments*, but with the following refinement. The task of constructing a proper theory cannot in the final analysis be based on the notion that general features are empirically observable. The fact that certain features are observed over and over is not necessarily proof of their general status as principles of the “existence as a human life.” It is the theorizing activity itself on the part of the one executing the study that must make the case for certain individual empirical features attaining to the level of general principles. All I mean to suggest is that a jump from the vast world of empirical difference to general norms is not automatic simply because one is attempting or claiming to engage in inductive-abstraction. The link between the two “levels” must be argued and grounded in a principle of abstraction during the act of theorizing. Thus the critical question that pertains is *how* does Smith link empirically observable elementary features to their general status as norms? I read *The Theory of Moral Sentiments* as the product of an explicitly conscious attempt to abstract the “universality in question.” In other words, I prefer to historicize not only the content and claims of Smith’s argument (it is not a metaphysics, etc.) but also the form of

583. Smith and Haakonssen, *TMS*, viii.

thought that he brings to bear upon this question of the human. The form of thought in question is undoubtedly one of abstraction.

This leads to the following critical question: *why* did Hume and Smith, among others, feel compelled to ‘represent’ in the form of a theory the nature of the individual? One of the key conceptual dilemmas confronting the eighteenth century was how to abstract from observable instances at the level of the individual to the level of the social; how to abstract from the private to the public (viz., Mandeville’s private vices and public benefits); how to abstract out of the self-interested passions of the individual a principle of moral self-approbation that would automatically generate the public virtues that benefited society; how to abstract from the “natural” senses and perceptions of the body to the “artifice” of justice that ruled society. The need to tarry with this series of dyads, each of which questioned how to abstract from the particular to the general, compelled them to argue about the role and form of first principles in critical thought, about whether empiricism or rationalism was the more adequate or “safer” guarantee of social theory, and about whether religious injunctions were necessary or could be done away with completely.

There can be no doubt, however, that they relied upon abstraction as part of an exciting and ongoing research project to establish key concepts of their moral philosophy of Man. Moreover, I argue the appearance of this series of dyads cannot be separated from their ideas and debates about how to think through these relations. This explains why Locke felt it necessary to develop a theory of the Idea and why

Hume would criticize it in *A Treatise of Human Nature*, wherein he contends with “Ideas, their Origin, Composition, Connexion, Abstraction, &c.”⁵⁸⁴

In the advertisement to the 1793 publication of *The Theory of Moral Sentiments*, which came over three decades after its first publication in 1759, Adam Smith says “several corrections, and a good many illustrations of the doctrines contained in it, have occurred to me.”⁵⁸⁵ The fact that the manuscript was written, in the author’s own words, as a series of illustrations—brief but highly detailed vignettes describing his own studious observation of the behavior of others—seems to be at odds with the ambition and scope of the project, which is, also in the author’s own words, a set of doctrines and theory of the human individual who obeys general rules of moral conduct in society. I bring this up not to point out a paradox in the text⁵⁸⁶ but to situate this tedious form of prose as intentional and part of Smith’s scientific process of abstraction from the particular to the general.

Viewed from the vantage point of their effort to use abstraction, it becomes difficult to sustain the notion that they did not have a concept of Man who was both subject and object of analysis. It is precisely this aspect of their thought—the unity of

584. David Hume, *A Treatise of Human Nature* (1739-40). Accessed April 15, 2016. <http://www.davidhume.org/texts/thn.html>.

585. Smith and Thurneysen, *TMS*, <http://catalog.hathitrust.org/Record/001920319>.

586. This feature of Smith’s prose to dwell on numerous examples has led to widely varying reactions: “To some, this provides the detail and psychological acuity that they find lacking in most [other] moral philosophy; to others, it seems something more properly taken up by novelists or empirical psychologists, not the business of a philosopher,” Samuel Fleischacker, “Adam Smith’s Moral and Political Philosophy,” *The Stanford Encyclopedia of Philosophy* (Winter 2015 Edition), Edward N. Zalta (ed.), <http://plato.stanford.edu/archives/win2015/entries/smith-moral-political/>.

their form of abstraction with the content of their theories regarding moral philosophy and human nature—that Foucault overlooks.

It is of course far beyond the scope of this chapter to present an honorable reconstruction of the history of all these debates. In lieu of breadth I will have to rely upon a few key and precise critical engagements with their texts and arguments. My choices are determined by three factors. First is a search for evidence in the archive that the concept of Man that Foucault holds before us as the ground of nineteenth century knowledge was already present in the eighteenth; namely, was the Scottish Enlightenment aware of the individual's double purpose as both subject and object of knowledge? Second, I will show that the Scots were not restricted to a Robinson Crusoe image of the individual; far from it, many of them believed the fiction of a solitary individual was absurd. At the same time, Marx was correct when he said their form of thought was fundamentally ahistorical. The upshot of this second inquiry is to separate in a historical analysis what we usually take for granted, the unified meaning in the compound word 'socio-historical.' The moral philosophers certainly had a concept of the social, but it was not historical.

How does this fit into my overall purpose to understand Foucault's argument that the episteme of Man is an invention of the nineteenth century? In 1989 J.K.

Galbraith described *The Theory of Moral Sentiments* as a “‘largely forgotten’”⁵⁸⁷

587. Geoff Cockfield et al., eds. “Introduction,” *New Perspectives on Adam Smith's The Theory of Moral Sentiments*, (Cheltenham, UK; Northampton, MA: Edward Elgar, 2007), 1. The Galbraith quote is from his *A History of Economics: The Past as the Present*, (London: Penguin, 1989), 60. Galbraith may have been commenting on his own work, not just that of other economic historians: as Cockfield, et al., observe,

work. While thankfully this is no longer the case,⁵⁸⁸ Galbraith's assessment of the state of Smithian studies is an apt characterization of Foucault's account of Adam Smith in *The Order of Things*. There is a reason for this: it is hard to sustain the argument that the Modern episteme of Man was not already in force and even governing economic thought in the eighteenth century, certainly before the moment at which Foucault argues "Man" came into being with Ricardo's political economy. As it turns out, Smith strikes a remarkably sensitive tone regarding the individual's status as both subject and object of analysis. Textual evidence to this effect is overwhelming.

Secondly, in the attempt to identify the common ground between *The Theory of Moral Sentiments* and *The Wealth of Nations*, a key question is undoubtedly addressed to the meaning of the term self-interest. Although self-interest is not the primary focus of Smith's earlier text on moral philosophy, it is also the case that he fails to define it adequately in the later and more famous text on political economy. The relation of these two texts has been a source of fascination ever since they were published, with late nineteenth century German scholars dubbing it *Das Adam Smith Problem*.⁵⁸⁹

A foremost scholar of Adam Smith's *oeuvre*, Donald Winch, argues "there are clear links between the *theory* of justice in the *Theory of Moral Sentiments*, the

Galbraith's "*The Age of Uncertainty*...does not even mention it" (1); J.K Galbraith, *The Age of Uncertainty*, (London: British Broadcasting Corporation), 1977.

588. Exemplary studies include Winch (1996), *Riches and Poverty*; and Knud Haakonssen, *Science of a Legislator: The Natural Jurisprudence of David Hume and Adam Smith*, (Cambridge; New York: Cambridge University Press), 1981.

589. Winch, *Riches and Poverty*, 35.

history of law and government in the lectures, and the application of both theory and history to the institutions and policies provided in the *Wealth of Nations*.⁵⁹⁰ In other words Smith's foundational belief in natural jurisprudence "serves as a means of understanding the shape and purpose of the enterprise as a whole."⁵⁹¹ This approach to *Das Adam Smith Problem* is to think of political economy as absorbed into the moral philosophy, which found its ultimate expression in a system of jurisprudence.⁵⁹² This line of inquiry has the benefit of shedding light on the laconically defined notion of self-interest in *Wealth of Nations*, and it also adds greater substance to the meaning of the individual who trucks and barterers.

It's not my purpose to adjudicate this matter here, but if this is to be the case, it might also be said that this interpretive framework, while clarifying Smith's overall ideas and purposes across his major texts and lectures, can overlook contradictions or gaps in Smithian thought because its *telos* is Smithian system coherence. In other words, where Smith's belief system fails to "add up." For example, another economic historian agrees with Winch that the Scottish intellectual context of the eighteenth century struggled to define the relationship between riches and poverty, but points out a potential problem with the coherence of Smith's system of natural jurisprudence:

The horizon of *The Wealth of Nations* is the progress of opulence from primitive conditions. Progress is neither uniform nor linear. It is not uniform because societies are in different stages of development. It is not linear because advancing societies eventually acquire their "full complement of riches" and enter a stationary condition. [...] Smith's

590. Winch, *Riches and Poverty*, 21.

591. *Ibid.*, 22.

592. *Ibid.*, 22.

review of world economies turned up no occurrence of the "natural system" of liberty and equality.⁵⁹³

If Smith could find no occurrence of the natural system of liberty and equality that is supposed to ground his moral philosophy, then it becomes difficult to think of natural jurisprudence as more than an ideal. This would strike Smith as a contradiction because he was ostensibly so careful to construct his theory of the individual as a function of observations of how individuals interact with each other. He never considered that inter-individual relations do not necessarily transfer to society. At best we are left with a system in which "Smith's policy recommendations address the independent variables whose appropriate manipulation would extend the longevity of growth without altering the trend to stagnation."⁵⁹⁴ A system of governance that adheres to the principle of natural jurisprudence would thus be reduced to an "independent variable" of the system.

Nevertheless, I agree with Winch that it would be a mistake to ignore the deep connections between texts. After all Smith continued to edit *The Theory of Moral Sentiments* for nearly fifteen years after the first publication of *Wealth of Nations*. In this sense it is possible to explore the meaning of self-interest in light of his theory of the individual in *The Theory of Moral Sentiments*.

593. Hiram Caton, "The Preindustrial Economics of Adam Smith," *The Journal of Economic History* 45, no. 4 (December 1, 1985): 842.

594. Caton, "Preindustrial Economics of Adam Smith," 844.

“Like his close friend and mentor, David Hume, Smith saw moral philosophy as central to a new science of human nature.”⁵⁹⁵ It is important, however, to situate their shared interest as well as their important differences in a science of man into the context of a debate concerning a principle of moral approbation that began much earlier between Hobbes and Cudworth, and continuing with Bernard Mandeville and Frances Hutcheson. At stake was the source or foundation of a moral sense, and then the degree to which this faculty, assuming it could be demonstrated, guaranteed a concept of virtue or justice in society. In the course of these debates, it appears that key categories of analysis came to occupy a central role in explaining the existence of moral virtues in society. Each turn in the historical debate witnessed an overcoming of certain barriers to more complex analysis. Eventually it became clear that the individual was embedded within a social context that could not be ignored.

This brief summary of the historico-intellectual context of the science of man discourse allows me to clarify the key similarity and the greatest difference between Hume and Smith. The method of induction, of building up by way of abstraction from the particular to the general, is the principal influence that Hume had on Smith. “For the real methodological importance of Hume, as well as of Smith, would seem to be that they began to treat the theory of the human mind, including the psychology of the passions, as part of a social science, the object of which is the individual in his social

595. Adam Smith and Knud Haakonssen, *The Theory of Moral Sentiments*, Cambridge Texts in the History of Philosophy, (Cambridge, U.K.; New York: Cambridge University Press, 2002), vii.

context.”⁵⁹⁶ Ultimately, though, Smith rejects Hume’s concept of utility as the end of society. He does this both in *The Theory of Moral Sentiments* and in *The Wealth of Nations*. To sum, Hume relies upon inductive-abstraction to make the case for social utility, whereas Smith would follow Hume’s methodological lead while rejecting utility and opting instead for his own theory of justice.

Hume’s definition of utility is that individual actions ultimately serve a public interest, which is the evolution of justice. Justice, for Hume, is the minimum denominator of social life beyond the family.⁵⁹⁷ In other words Humean utilitarianism should be thought of as social utility. This is different from the direction that Bentham and the Mills would take the concept of utility. There is a particular intellectual context that made Hume’s inquiries into the utilitarian foundation of justice important. He was one of the first to consider the origins of civil society following the two opposed theories of Hobbes and Locke, both of whom relied on a state of nature analytic but from different angles. Hume was clear that this was nothing more than a methodological trick in philosophizing activity: he points to “the *philosophical* fiction of the *state of nature*,”⁵⁹⁸ The state of nature may be a useful methodological device,⁵⁹⁹ but it cannot be taken literally as an explanation of civil society. Rather an empirical science of man’s nature is required.

596. Haakonssen, *Science of a Legislator*, 6.

597. See especially Haakonssen, *Science of a Legislator*, 4-26, 87-8.

598. Hume, *Treatise*, 493; *Enquiry*, 188; cited from Haakonssen, *Science of a Legislator*, 15.

599. See Haakonssen, *Science of a Legislator*, n. 36, 192.

To construct his science of man, Hume had to decide between a rationalistic method based on natural law, which his teacher Francis Hutcheson advised, or a method based on induction. He chose the latter. Hume realized that “he could explain how morality is the cement of social life, in spite of the fact that it is ‘merely’ a natural growth, and not a set of abstract truths, instituted by the reason of God or man and the subject of a calculating science.”⁶⁰⁰ This is not to say Hume was not influenced by natural law theories. Hume took elements of what natural law theorists claimed, including Grotius, Pufendorf, and Hutcheson, while incorporating their ideas into his Newtonian and empirical science of man.

Hume argued for a natural, law-like evolution towards a social condition of justice that is the outcome of self-interested actions of individuals. To say that justice is law-like and evolutionary is to say that it is an automatic and more or less guaranteed social outcome of individuals’ actions. In this way Hume’s thought is essentially grounded in the category of what is ‘natural.’ To say that justice is based on the self-interested actions of individuals is to say (1) a “vulgar sense and slight experience are sufficient,”⁶⁰¹ which implies that “only a very low degree of rationality is involved in the origins of justice,”⁶⁰² and (2) “’Tis self-love which is their real origin” even though “the self-love of one person is naturally contrary to that of another.”⁶⁰³ Thus justice in society in Hume’s case seems paradoxical though assured,

600. Haakonssen, *Science of a Legislator*, 6.

601. Hume, *Enquiry*, 195; cited from Haakonssen, *Science of a Legislator*, 18-9.

602. Haakonssen, *Science of a Legislator*, 19.

603. Hume, *Treatise*, 528-9; cited from Haakonssen, *Science of a Legislator*, 19-20.

since it is the automatic effect of mutually contradictory individual actions.⁶⁰⁴ “This system [of justice], therefore, comprehending the interest of each individual, is of course advantageous to the public; tho’ it be not intended for that purpose by the inventors.”⁶⁰⁵

This paradox at the heart of justice leads Hume down a fascinating and crucially important path that cracks open a new window into a form of social analysis that will not bear full fruit until decades later. Hume scholar Haakonssen notices the same:

To see justice in this way, as an unintended consequence of individual human actions, must be one of the boldest moves in the history of the philosophy of law. [...] For it allows Hume to avoid any *excessive* rationalism, of a Hobbesian kind. [He also] avoids the pitfalls of legal positivism, and keeps the options open for some kind of ‘natural law’, or basic law, standing above all positive law. On the other hand, Hume is able to keep the origin of justice well within the natural world: he is able to identify the specific causes that bring it about, namely the actions (and interactions) of individual men. He, therefore, has no need for any divine interference — or, for that matter, for any special moral sense. [Emphasis added.]⁶⁰⁶

The impressively solid ground on which Hume’s empirico-inductive theory rests notwithstanding, he cannot completely avoid a tendency towards rationalism, only “*excessive* rationalism,” because his concept of justice is essentially natural. Which is to say it is not historical, as Marx would rightly criticize him. For example, he slips back into rationalism when he remarks, “The whole scheme of law and justice is

604. Prior to Hume, Bernard Mandeville anticipated a similar argument—note the subtitle of his poem, “private vices, public virtue”—but without the same precision as Hume would give it.

605. Hume, *Treatise*, 528-9; cited from Haakonssen, *Science of a Legislator*, 19-20.

606. Haakonssen, *Science of a Legislator*, 20.

advantageous to the society and to every individual, and 'twas with a view to this advantage, that men, by their voluntary conventions, establish'd it." [Emphasis added.]⁶⁰⁷ How could justice be both the automatic outcome of individual actions by those who cannot intend it yet also something that they had a view to establish? It is precisely this contradiction that individual men who could not intend justice but who somehow had a "view to this advantage" that Smith would dismiss as untenable. And since justice for Hume was in the public interest, it meant justice was a utility. To Smith, who saw the contradictory and slight slide towards rationalism in Hume's thought, the concept of utility was the problem because individuals could not possibly enjoy an *a priori* view of the utility of justice for (everyone in) society while also unintentionally bringing justice about through their self-interested actions. Thus Smith had an intellectually and methodologically sound reason to reject Hume's utilitarianism.

To be sure, Smith recognized the utility of justice. He agreed with Hume that justice was "the very minimum of a social framework."⁶⁰⁸ And at least Hume *attempted* to ground justice in the empirical observations of how individuals interact with one another. But Smith upends his friend by accusing him of allowing his philosophical activity to get in the way of a sound, empirical analysis that leads from the particular via abstraction into a general theory of individual nature. Whereas Francis Hutcheson preached inner morality as a rationalistic first principle (because if it weren't a maxim, justice could not be guaranteed), Hume simply replaces

607. Hume, *Treatise*, 596. Cited from Haakonssen, *Science of a Legislator*, 25.

608. Haakonssen, *Science of a Legislator*, 87.

Hutcheson's good soul with a rationalistic assertion of utility as one basis of justice.

Smith rejects Hutcheson's excessive rationalism outright but also Hume's rationalism-lite.

Smith writes,

All men, even the most stupid and unthinking, abhor fraud, perfidy, and injustice, and delight to see them punished. But few men have reflected upon the necessity of justice to the existence of society, how obvious soever that necessity may appear to be.⁶⁰⁹

Haakonssen drives home the point. Smith is saying that justice is a concept that leads too many philosophers down the path towards rationalism “in the form of utility considerations”⁶¹⁰ This seems rather simple, but I argue that the rational kernel of Smith's objection and Haakonssen's insightful analysis of it is nothing less than a Smithian assertion that Humean rationalism fails the test of *differentia specifica* in the course of abstraction. As Haakonssen concludes, “Smith accordingly invokes his criticism of [Hume's utilitarianism], which is that such considerations are foreign to the bulk of mankind.”⁶¹¹ And to this I would add it follows logically that that which is foreign to the bulk of mankind cannot be the specific difference among individuals that grants them an *a priori* view to the advantage, or utility, of justice. Regardless of whether we agree with Smith that only that which we can know about isolated individuals can be the basis of abstraction to the social,⁶¹² the fact of the matter—and

609. Smith, *TMS*, II.II.3.9.

610. Haakonssen, *Science of a Legislator*, 88.

611. Haakonssen, *Science of a Legislator*, 88.

612. For Smith there is no Aristotelian whole that is greater than the sum of its individual parts: “our regard for the multitude is compounded and made up of the

all that my argument is suggesting—is that Smith’s intervention against Hume’s rationalism was specifically if not explicitly regarding the quality of Hume’s abstracting process.

At this point we can move beyond Hume and look more closely at Smith’s science of man. The emphasis on the isolated individual is palpable, but he, too, grounds that individual in society. “We can never survey our own sentiments and motives, we can never form any judgment concerning them; unless we remove ourselves, as it were, from our own natural station, and endeavour to view them as at a certain distance from us.”⁶¹³ Smith’s solution to the paradox inherent in any attempt to know ourselves is awkward, to be sure. It comes in two stages. The first is to imagine how others might see us. We endeavor to view our own sentiments “with the eyes of other people.”⁶¹⁴ In an overall sense it could be said that

For both Hume and Smith the imagination is a mental faculty by means of which people create a distinctively human sphere within the natural world. [...] The activity of the imagination is a spontaneous search for order, coherence and agreement in the world.⁶¹⁵

Smith recognizes, however, that the imagination is not, in fact, seeing through the eyes of other people, just the pretense of doing so. This imagined perspective of the other becomes our own internalized “impartial spectator”⁶¹⁶ by whose assessment we feel approbation or disapprobation at our own behavior.

particular regards which we feel for the different individuals of which it is composed,” Smith, *TMS*, II.II.3.10.

613. Ibid., III.I.2.

614. Ibid., III.I.2.

615. Smith and Haakonssen, Introduction, *TMS*, xii-xiii.

616. Ibid.

He writes about this spectator as if it were an early theory of psychic structure, pre-figuring psychoanalysis. It is replete with a desire for acceptance and avoidance of rejection and guilt.⁶¹⁷ But the main purpose for citing it here is to establish without any doubt that Smith was well aware of the problem inherent to the condition of being subject and object. When one wishes to examine one's own behavior and pass judgment upon it, Smith says,

I divide myself, as it were, into two persons; and that I, the examiner and judge, represent a different character from that other I, the person whose conduct is examined into and judged of. [...] The first is the judge; the second the person judged of. But that the judge should, in every respect, be the same with the person judged of, is as impossible, as that the cause should, in every respect, be the same with the effect.⁶¹⁸

There can be no doubt that Smith is acutely aware of the problem associated with being both subject and object of analysis. This is such a clear refutation of Foucault's thesis that it hardly requires further analysis.

Smith goes even further. Our condition of being both subject and object is the effect of our sociality. Our social nature is not merely a corollary to our existential status as subject and object; rather, our social nature is the *cause* of our condition qua individuals. In effect he is saying that it would be impossible to know oneself as an individual if it were not for our social nature. In his introduction to *The Theory of Moral Sentiments*, Knud Haakonssen agrees with this assessment. "The central point is that we only become aware of ourselves—gain self-consciousness—through our

617. "Nature, when she formed man for society, endowed him with an original desire to please, and an original aversion to offend his brethren," Smith, *TMS*, III.I.13.

618. *Ibid.*, III.I.6.

relationship to others.”⁶¹⁹ Consider the following, in which Smith suggests that it would be impossible to be conscious of our own self if we were solitary creatures.

To a man who from his birth was a stranger to society, the objects of his passions, the external bodies which either pleased or hurt him, would occupy his whole attention. The passions themselves, the desires or aversions, the joys or sorrows, which those objects excited, though of all things the most immediately present to him, could scarce ever be the objects of his thoughts.⁶²⁰

His psychological scheme is grounded *ipso facto* in social relations. Absent those relations, it would be impossible for an individual to recognize her individuality—there would only be awareness of the external “objects of his passions.” Society is like a mirror in which one catches sight of oneself.⁶²¹

Now, one might say that this little exercise by Smith is a type a Robinson Crusoe narrative—imagining even the impossibility of consciousness of one’s own individuality in a state of solitude—with the exception that that his outcome affirms the obvious, which is that we are not solitary. But it is worthwhile to note that Smith makes no mention of a state of nature. He is rejecting this discourse by analyzing what he observes empirically and/or believes to be the basic form and effect of sociality among humans.

This is Smith’s form of abstraction at work in his moral philosophy. From his ostensible starting point of the individual, Smith immediately infers its social existence, and from this point he abstracts out of the social relations the general form of individuality that inheres in man’s “nature” qua individual. It is not merely the

619. Smith and Haakonssen, Introduction, *TMS*, xiv.

620. Smith, *TMS*, III.I. 3.

621. Smith and Haakonssen, Introduction, *TMS*, xv.

approbation or disapprobation of others that matters, since this “first desire could only have made him wish to appear to be fit for society.”⁶²² The key movement in Smith’s analysis is that “Nature, accordingly, has endowed him, not only with a desire of being approved of, but with a desire of being what ought to be approved of; or of being what he himself approves of in other men.”⁶²³ Whereas the first desire creates only a wish in the individual, the second desire “renders him anxious to be really fit.”⁶²⁴ It spurs the individual to action.

Smith’s analysis is about to turn on a tautology for the very reason that Marx identifies, which is his ahistorical approach to the individual’s nature. His form of thought anticipates civil society, as Marx says, wherein free competition reigns.⁶²⁵ This we can surmise because Smith merely asserts, rather than explains, the origin of the second desire delineated above—“the desire of being what ought to be approved of”—before concluding that it is “the strongest of the two.”⁶²⁶ It would not be incorrect to accuse Smith of his own form of rationalism-lite insofar as he asserts without explanation this strongest desire, which compels man to action, of the desire of being what ought to be approved of.

We are getting very close to the secret of Smith’s concept of self-interest. One of its secrets is in *The Theory of Moral Sentiments*. This strong desire to be what he himself approves of justifies two things. First, in what amounts to a subtle but quite

622. Smith, *TMS*, III.I.14.

623. Ibid.

624. Ibid.

625. Marx, *Grundrisse*, 83.

626. Smith, *TMS*, III.I.14.

effective critique of Hume's concept of justice based on utility, Smith proceeds logically to the realization that the desire for praise, the love of fame and of true glory, if and only "where it is really due, is to desire no more than that a most essential act of justice should be done to us."⁶²⁷ This cannot be the full story, however, because to desire praise from another, even when it is just praise, is parallel to the first desire noted above in which one desires the approbation or disapprobation of others. What Smith needs in order to establish the individual as such, the individual who, as Marx says, "appears detached from the natural bonds,"⁶²⁸ is the principle of self-approbation. Not merely the approbation of others, even when just, but the supreme self-confidence of one's own actions as just. The individual

neglects, and even despises [the praise of others]; and he is never more apt to do so than when he has the most perfect assurance of the perfect propriety of every part of his own conduct. His self-approbation, in this case, stands in need of no confirmation from the approbation of other men. It is alone sufficient, and he is contented with it. This self-approbation, if not the only, is at least the principal object, about which he can or ought to be anxious. The love of it, is the love of virtue.⁶²⁹

Here we have an elegant bridge to the concept of Smithian self-interest, which is famously cited in *Wealth of Nations* but not well defined. The self-sufficiency, the feeling of content with oneself, the identity of love and virtue with a form of self-approbation governed by proportionality defines the individual's true nature.

Self-approbation and self-interest should not be confused with unfettered greed and selfishness. The first desire for the approbation of others, though weaker

627. Smith, *TMS*, III.I.15.

628. Marx, *Grundrisse*, 83.

629. Smith, *TMS*, III.I.15.

than the desire for self-approbation, assumes the desire to avoid the just disapprobation of others. That is, “we dread the thought of doing any thing which can render us the just and proper objects of the hatred and contempt of our fellow-creatures.”⁶³⁰ This guilty conscience extends even to our secret behaviors and motives, since we are bound to feel inner shame at merely the thought of being justly accused of impropriety.

At the same time Smith carves out an ethic of self-approbation and propriety that avoids what he thinks are extremes. The path towards the greatest benefit for ourselves and for all is “not the love of our neighbor, it is not the love of mankind.”⁶³¹ He observes blithely, if the great empire of China were swallowed by an earthquake, a European, upon hearing this dreadful news, would no doubt express great sorrow, but shortly thereafter “when all this fine philosophy was over, when all these humane sentiments had been once fairly expressed, he would pursue his business or his pleasure...with the same ease and tranquility, as if no such accident had happened.”⁶³² He dismisses as “artificial commiseration” an “extreme sympathy with misfortunes” of others if it serves to dampen our delight at our own fortune. He asks rhetorically, “to what purpose should we trouble ourselves about the world in the moon?” In the final analysis he appears to identify one of the results of our status as both subject and object that Foucault discusses, which is the analytic of our finitude. Smith has come

630. Smith, *TMS*, III.I.16; Smith elaborates, “The natural pangs of an affrighted conscience are the daemons, the avenging furies, which, in this life, haunt the guilty...”

631. *Ibid.*, III.I.46.

632. *Ibid.*, III.I.46.

up against the limits of what is possible at the level of the individual, and he errs by extrapolating it to the social. By this I mean his extrapolation from the individual directly to the social is a bad abstraction.

Smith may be correct to say that individuals are prone to having an abstract relation to the suffering of others. He reads this natural distance as a sign that it would be against our nature to act any differently than with an abstract coolness towards the plight of others if failing to do so meant it would distract us from the joy of our own fortune. The more proportional and therefore reasonable thought from his perspective is

the never-failing certainty with which all men, sooner or later, accommodate themselves to whatever becomes their permanent situation [...] In the confinement and solitude of the Bastile, after a certain time, the fashionable and frivolous Count de Lauzan recovered tranquility enough to be capable of amusing himself with feeding a spider.⁶³³

Therefore, in a nod to the Stoics, he claims the most logical belief is to avoid over-rating the difference between one permanent life condition versus any other's station.

The final point of analysis that I wish to offer concerns evidence of the degree to which abstraction is an important element in Smith's thought. When he finally speaks to the formation of general rules of morality, his analysis becomes very interesting. His intention, though subtle, is to criticize those who claim that general principles are *a priori*, that is, not experientially based. He is explicit about this: "the general rules of morality are [...] ultimately founded upon experience of what, in particular instances, our moral faculties, our natural sense of merit and propriety,

633. Smith, *TMS*, III.I.72.

approve, or disapprove of.”⁶³⁴ He disagrees with his teacher Francis Hutcheson on this point. He then says that it only appears to be the case that our automatic moral indignation at, say, a murder of an innocent person, is proof of an *a priori* moral rule.

Rather:

The general rule, on the contrary, is formed, by finding from experience, that all actions *of a certain kind, or circumscribed in a certain manner*, are approved or disapproved of. [...] His detestation of this crime, it is evident, would arise instantaneously and antecedent to his having formed to himself any such general rule. [Emphasis added.]⁶³⁵

Smith is explicitly saying that experiential content is immediately and incessantly subjected to a form of abstraction by every individual, who are identifying approbations and disapprobations that are “of a certain kind.” Only on this basis of abstraction from the immediacy of particular and therefore different experiences can Smith claim that general rules are formed from experience. His entire theory of how the actions of individuals lead to general norms is based on abstraction. He accuses other philosophers of overlooking this. They are quick to cite moral indignation at offenses as proof of a pre-existing general rule, but this is wrong because “they had supposed that the original judgments of mankind with regard to right and wrong, were formed like the decisions of a court of judicatory, by considering first the general rule, and then, secondly, whether the particular action under consideration fell properly within its comprehension.”⁶³⁶

634. Smith, *TMS*, III.I.95.

635. Ibid.

636. Smith, *TMS*, III.I.98.

Of course Smith does not discuss the theoretical underpinnings of his concept of the individual and the general rules of morality that it follows in terms of abstraction. He simply suggests that the general rules of conduct are “fixed in our mind by habitual reflection.”⁶³⁷ The key word, I propose, is reflection. It suggests an ongoing agency that he admits is there but which is relatively circumscribed to obey the system of natural “liberty” that he had already established.

There are several shortcomings or inconsistencies in Smith’s account of the natural liberty of the individual who is guided by self-approbation. First, he says that the internalized spectator in whom our self-confidence of self-approbation is based is a result of our sociality, but he does not allow for any possibility of our individual behavior changing or influencing the approbation of others, which would in turn, by the rules of his own system, seem to alter the judgment of the internalized spectator that is the source of our own self-approbation.

Second, he is abstracting from what he observes in the particular in order to construct his ‘natural’ law of proportional propriety as a general maxim, but without any consideration of whether a qualitative change occurs in the order of things as one advances past the nuclear individual towards society. In other words his extrapolations from one level of analysis to the next follow a rigid, straight line (whereas it may be asymptotic). There is no consideration, for example, that the distance between two individuals disappears or closes when those individuals are viewed from the vantage point of society. There is no possibility in Smithian thought

637. Smith, *TMS*, III.I.99.

of a shift from quantity to quality. Smith has not proven—he’s merely assumed—that a correct and rational form of abstraction must think that the content of the principle of *differentia specifica* is the same at every level of abstraction.

Third, there is a genuine contradiction in his theory. He claims access to an objective condition of natural liberty when he says that it would go against our nature to try to alter reality. “The natural course of things cannot be entirely controlled by the impotent endeavours of man: the current is too rapid and too strong for him to stop it.”⁶³⁸ This is where the charge of his ahistoricity may be sharpest, for he arrives at his understanding of a fixed and unalterable general order of things by way of random exchanges of approbation and disapprobation inter-individually. Historical consciousness requires a social consciousness, but having some understanding of human sociality does not necessarily guarantee a historical consciousness.

Marx’s *Robinson Crusoe* metaphor: transitioning the category of “the social” from fetishized natural law towards historical contingency

Marx famously rebuked eighteenth century philosophers in an iconic passage of the *Grundrisse*: “The individual and isolated hunter and fisherman, with whom Smith and Ricardo begin, belongs among the unimaginative conceits of the eighteenth-century Robinsonades...”⁶³⁹ It is true that many of these philosophers cited Defoe’s *Robinson Crusoe* metaphorically, but they clearly did not always do so in the manner that Marx tends to group them.

638. Smith, *TMS*, III.I.109.

639. Marx, *Grundrisse*, 83.

Adam Smith's teacher Francis Hutcheson, for example, draws upon a Robinson Crusoe narrative in order to refute, not begin from, the fiction of an isolated individual. In *A System of Moral Philosophy* (1755) he wrote in a chapter whose subtitle is in part is "The Necessity of Social Life,"

'tis plain that a man in absolute solitude, tho' he were of mature strength, and fully instructed in all our arts of life, could scarcely procure to himself the bare necessaries of life, even in the best soils or climates; much less could he procure any grateful conveniences. One uninstructed in the arts of life, tho' he had full strength, would be still more incapable of subsisting in solitude: and it would be absolutely impossible, without a miracle, that one could subsist in this condition from his infancy.⁶⁴⁰

And Smith himself remarked,

Were it possible that a human creature could grow up to manhood in some solitary place, without any communication with his own species, he could no more think of his own character, of the propriety or demerit of his own sentiments and conduct, of the beauty or deformity of his own mind, than of the beauty or deformity of his own face.⁶⁴¹

This complements my earlier analysis of Hume and Smith's theories of moral philosophy in which the individual was clearly perceived to enjoy a social existence.

The accusation of the lonely individual among earlier economists is practically standard for Marxists right up to the late twentieth century. In an otherwise commendable review of Marx's critique of classical political economy, Geoffrey Pilling says of the Enlightenment thinkers:

They confused social with natural law. Political economy was fond of the parable of Robinson Crusoe. Marx did not object to the indulgence

640. Francis Hutcheson, *A system of moral philosophy, in three books; written by the late Francis Hutcheson*, Volume 1, (Glasgow, 1755), 287; for a modern rendition see Meek, *Precursors of Adam Smith*, 28.

641. Smith, *TMS*, III.I.3.

in this type of story as such. He did object, however, to the fact that the modern (eighteenth-century) individual was projected back into history. The individual was not conceived as developing historically through definite social relations, but as posited once and for all by nature. History was confused with nature.⁶⁴²

There is a lot going on in this summary of Marx's position, but not all of it is an accurate description of the Scottish thinkers. First, they did not "confuse" social with natural law; rather, the appearance of the social as a category separable from the natural was just beginning to stand out to them, even if only inchoately on the horizon of their thought. Whether all of the Enlightenment philosophers "projected back into history" their conception of the modern individual is questionable. It is true, however, that the notion of the historical character of the species did not occur to them. Being unaware of the historical dimension of the individual is not the same thing as actively projecting their conception of it back into history. Neither is it the same thing as their limited but real grasp of the fundamental sociality of the individual. They were committed to diagnosing, as it were, the character of man as it appeared to them in the context of their own society. So when Pilling says, "History was confused with nature," there is a conflation in this strain of Marxist historiography, since it presumes that the connection between the social and the historical—that is, the meaning of the hyphen in the term "socio-historical"—had already been made. It had not. Pilling goes on to say that

Marx attacked the political economists precisely because they took the categories of their science *uncritically*. His charge of ahistoricism

642. Geoffrey Pilling, *Marx's "Capital": Philosophy and Political Economy*, (London; Boston: Routledge & K. Paul, 1980,) chapter two; accessed at <https://www.marxists.org/archive/pilling/works/capital/geoff1.htm>

meant essentially this: the political economists fetishistically accepted the available concepts as fixed and unalterable. Political economy took its categories for granted precisely because it did not know the historical process through which they had been created. It was unable to reproduce this real process in thought and therefore saw in the categories of bourgeois political economy the expression of the essence of bourgeois production.⁶⁴³

While it is accurate to say that political economists “did not know the historical process” by which categories of political economy had been created, it is less true to say that they “accepted the available concepts as fixed and unalterable.” Rather, they were actively searching for and developing, as James Steuart put it in 1767, “the whole chain of reasoning,” beginning from reality and via inductive labor a set of principles flowing from “such ideas as are abstract” to “the objects on which [the principles] have an influence” until “a regular science” can be arrived at.⁶⁴⁴ Note that this may have been intended as a methodological refutation of David Hume’s now-and-then faith in *a priori* general principles,⁶⁴⁵ as when he wrote in 1752 that “however intricate they may seem, it is certain, that general principles, if just and sound, must always prevail in the general course of things, though they may fail in particular cases.” The fraught status of general principles in the newly forming science of political economy was a lovechild of natural law philosophy, which

643. Pilling, *Marx’s “Capital,”* chapter two.

644. James Steuart, *An Inquiry into the Principles of Political Economy*, 1st ed., (London, 1767), in *The Works, Political, Metaphysical, and Chronological of the Late Sir James Steuart of Coltness, Bart.* (London and New York: Augustus M. Kelley, 1967), 217-18.

645. Ikuo Omori, “The ‘Scottish Triangle’ in the Shaping of Political Economy: David Hume, Sir James Steuart, and Adam Smith,” in Sakamoto, Tatsuya, and Hideo Tanaka, *The Rise of Political Economy in the Scottish Enlightenment*, (London; New York: Routledge, 2003), 108.

posited as a reliable first principle the truth of nature, created as such by an infallible deity.

I mean to draw attention to two things. First, when we accuse the Scots of fetishizing natural laws, we must be clear what this means. They had yet to break free from the centuries-long dominance of natural law theory from the time of the scholastics, in which the faculty of reason was intended to discover pre-existing “natural” laws as God had ordained them. It was in this particular intellectual milieu that their moral philosophies and political economies tended to circulate within a certain definable confusion regarding the relationship between the categories of natural and social.

Nevertheless, they made progress insofar as the category of the social began to appear to them as something other than what had always been considered natural. Hume’s active and nuanced consideration of the link between what was natural versus artificial—artifice being aligned with the social sphere—is symptomatic of this trend. Adam Smith bracketed entirely the fanciful notion of man in an original state of nature, thus bringing to an end a 100-year plus discourse in England and France.

Much of this can be attributed to rapid economic and political developments in Scotland from the late seventeenth century into the eighteenth. The economic crisis in the wake of the Darien Scheme in Panama left Scotland essentially dependent on English trade.⁶⁴⁶ The Union of Parliaments in 1707 that was its result set off a period

⁶⁴⁶. Christopher A. Whatley, “Economic Causes and Consequences of the Union of 1707: A Survey,” *The Scottish Historical Review* 68, no. 186 (1989), 153. This

of rapid commercialization north of The Border. This was most likely due to England's more advanced economic position.⁶⁴⁷

This context motivated Scottish intellectuals to engage in a series of debates on luxury and inequality. The problem as they saw it was that new wealth seemed to be attained by more selfish means. They found inspiration from Dutch-Anglo political economist Bernard Mandeville, whose scandalous justifications for personal vice on account that it yielded public benefits were coming under attack by Bishop Berkeley and would eventually spur Rousseau to a *Discourse on the Origin and Basis of Inequality Among Men* in 1754.⁶⁴⁸

"Benefits" to Mandeville were not the same thing as virtuous. His argument was that vanity and greed, when implemented properly and regulated by justice, were the source for public wealth and prosperity. In the concluding section of his early eighteenth century poem *The Grumbling Hive: or, Knaves Turn'd Honest*, he suggests

Fools only strive
To make a Great an honest Hive.
T'enjoy the World's Conveniencies,
Be famed in War, yet live in Ease
Without great Vices, is a vain
Eutopia seated in the Brain.
Fraud, Luxury, and Pride must live;
Whilst we the Benefits receive.
Hunger's a dreadful Plague no doubt,

Marxist, "determinist" hypothesis was called into question by William Ferguson, *Scotland's Relations with England: A Survey to 1707*, (Edinburgh: Donald, 1977).

⁶⁴⁷. Whatley, "Economic Causes and Consequences of the Union," 180.

⁶⁴⁸. Jean-Jacques Rousseau, *Discours Sur L'origine et Les Fondemens de L'inégalité Parmi Les Hommes*, (Amsterdam: M.M. Rey, 1755).

Yet who digests or thrives without?⁶⁴⁹

Generally speaking, this line of argument was probably what Marx had in mind when he said that the Robinsonades were fundamentally speaking to the

anticipation of ‘civil society’ [...] This society of free competition, [wherein] the individual appears detached from the natural bonds etc. which in earlier historical periods make him the accessory of a definite and limited human conglomerate.⁶⁵⁰

Second, while it was no doubt a great leap forward for Marx to historicize the category problem of political economy—this is Pilling’s overall and, I should add, correct summary of Marx’s position—we would do well not to minimize the condition of possibility of his advance. He required a prior development in social thought (or at least a serious questioning) regarding the relationship between the social sphere and natural law. It’s as if the Scottish philosophers realized that ‘society’ was an abstraction and, for this reason, the connection between the natural individual and her existence in society became a question for them. Thus they began to separate in their thought the social from the natural.

There was a time prior to Marx, in other words, when the hyphen in the term ‘socio-historical’ would have been utterly unintelligible. I argue that the relation between natural law and society was probed in the search for a method proper to the study of a new science of political economy as well as in their attempt to construct a concept of the individual that might justify or reject the pursuit of individual riches as socially virtuous. Indeed, when Rousseau wrote his essay on inequality, he was

649. Bernard Mandeville, ‘The Grumbling Hive.’” Accessed April 19, 2016. <https://andromeda.rutgers.edu/~jlynch/Texts/hive.html>.

650. Marx, *Grundrisse*, 83.

responding to the question given for the competition, “*Quelle est l'origine de l'inégalité parmi les hommes, et si elle est autorisée par la loi naturelle?*”⁶⁵¹ We tend to take it for granted today that when we use the term ‘social’ we can automatically and safely presuppose a host of given and qualifying attributes of what is meant by this: contingent, plastic, demystified/demystifiable, denaturalized/denaturalizable, and by far most importantly historical/historicizable. But our presupposition today, and Marx’s re-categorization of the social as historical, was made possible by the initial if imperfect inquiries into the “nature” of the social dimension. Robinson Crusoe, it turns out, was never alone, though he was unaware of his own history.

Adam Smith and the triumph of the division of labor over rationalistic utility

In much the same way that Francis Bacon and Descartes marked for Foucault the end of the Renaissance and the beginning of the Classical period in the early seventeenth century, so too, he says, a new set of ideas appear between 1775 and 1825⁶⁵² that mark the end of the Classical and the beginning of the Modern epochs. With respect to the history of economic thought, he has in mind specifically Adam Smith’s theory of labor. Now, we have already seen that Foucault did not adequately account for the connection between Smith’s *Theory of Moral Sentiments* from 1759

⁶⁵¹. “What is the origin of inequality among people, and is it authorized by natural law?” The question explicitly brings up the relation between inequality, a socio-economic phenomenon, and natural law. The answer to the second question could be yes or no, but regardless, the question presupposes that an underlying link between socio-economics and natural law *could no longer be presumed*.

⁶⁵². See Foucault, *OT*, 221.

and the *Wealth of Nations* from 1776. Nevertheless, because *Wealth of Nations* cannot simply be reduced to the former, and because it proved to be the more influential text, Foucault is on some solid ground to mark 1776 as a milestone.

There is nothing technically archaeological about Foucault's handling of Smith, nothing new in what he is telling us about Smith that cannot be discerned by a "regular" history of ideas that he purports to reject, and nothing new about how Smith used words semiotically. He relies on a descriptive mode of analysis that detaches thought from its social context—perhaps this is what is archaeological about it. What is certain is that Foucault does not give an account of how Smith was abstracting from prior influential economists as well as from the world he observed in order to write *The Wealth of Nations*.

Foucault says Smith represents an "essential hiatus"⁶⁵³ in the analysis of wealth as a result of his new concept of labor in economic history. Yet characterizing Foucault's comprehension of Adam Smith's contribution to the history of economic thought is difficult because, despite this hiatus, Foucault firmly locates Smith within the old order of representational thinking. Foucault would not be the first to either laud or downplay the importance of Smith's contributions, though other economic historians have been less ambiguous in their assessment. On one side are those who think Smith did little to surpass his predecessors. Schumpeter is particularly condescending in this regard,⁶⁵⁴ which may reflect his own high regard for utility theories. Terence Hutchison's *Before Adam Smith* credits Smith with offering a

653. Foucault, *OT*, 224.

654. See especially Schumpeter, *HEA*, 183-94.

system of political economy that became the first genuine economic orthodoxy. On the other side are those who attribute to Smith a great advance in economic theory. Of course Marx would fall into this group.

How specifically does Foucault believe that Adam Smith heralds the limits of the representation episteme, even though he is ultimately held back by it? Smith's category of labor signals the decline of representation as the sole condition of knowledge because it introduces into economic thought a new factor that is fundamentally exterior to the simple representation of one desire to another desire. In other words, the representation of desire to itself in acts of economic exchange were two-dimensional—i.e., there were immediate, taken at face value, and without depth—but labor crashes through this shallow surface, thereby instantiating within economic thought a third dimension that had not been there prior. Henceforth, every point on the plane of desire for a particular good must now

have recourse to the form and quantity of a piece of work [read: labor], which determines its value; what creates a hierarchy among things in the continuous circulation of the market is not other objects or other needs [i.e., utility]; it is the activity that has produced them and has silently lodged itself within them [My notes added in brackets].⁶⁵⁵

In this passage Foucault is correctly attributing to Adam Smith an important shift in the concept of value. As was explained in chapter two, Foucault's understanding of pre-Smithian value was limited to the *quid pro quo* representation of qualitatively different desires to each other in acts of exchange. The difference resulting from Smith's intervention, Foucault explains, was that "what gives value to the objects of

655. Foucault, *OT*, 258.

desire is not solely the other objects that desire can represent to itself, but an element that cannot be reduced to that representation: labour.”⁶⁵⁶

It is no doubt true that Smith’s labor theory of value was revolutionary; however, to get at a deeper comprehension of Smith’s hiatus, it is necessary to adumbrate some of the ways in which Smith’s thought was not totally original, while proceeding towards his accomplishments, contextually discerned. This is to say Foucault does not explain how or why Smith made this important break with the past, and it behooves us to fill in the gaps.

Smith’s labor theory of value may be his most important contribution to political economy, but he was not the first economist to think about labor as productive of value. He is drawing from a long tradition of labor theories dating from Petty, Locke, Cantillon, and also Quesnay. The advance he was able to make was made possible by the unity of two things. First was the relatively advanced stage of capitalist development that he observed in England, in particular in early manufacturing. Second, since the material conditions of society do not automatically generate theoretical breakthroughs, what is always required is a particular form of thought capable of ascertaining the dynamism of the world. To this end Smith relied upon abstraction as an epistemic action. His form of thought was actively drawing from but also rejecting certain elements of prior theories of political economy (even though Smith was exceedingly terse in giving credit to those whose thought influenced him).

656. Foucault, *OT*, 237.

Smith's intellectual relationship with Hume is crucially important if we want to understand the degree to which Smith was willing to assert labor as the fundamental determination of value. To remind the reader, Hume emphasized utility to a great degree. This could be described as the necessary outcome of his belief that nature provided only a "scanty provision" for our needs: "'Tis only from the selfishness and confin'd generosity of men, along with the scanty provision nature has made for his wants, that justice derives its origin."⁶⁵⁷ Clearly Hume was not persuaded, as Smith would later be, by dramatic productivity gains from manufacturing. Hume's utilitarian conclusion comports with Foucault's general argument that the representation of needs and desires governed economic thought in the eighteenth century. Now, by rejecting Hume's primary reason for the growth of justice in society, social utility, Smith created a conceptual vacuum at this high level of abstraction—what is the glue that holds civil society together when the utility of justice is gone? However, as we learned in the previous section on the science of man, Smith was loath to replace one rationalistic tendency with his own. The key point is that whereas Hume thought of utility as the reason why society pursued the public and social virtue of justice, so too, in a parallel but opposing manner, Smith generalizes labor to a societal level. As he famously opens the *Wealth of Nations*, "The annual labour of every nation is the fund which originally supplies it with all the

657. Hume, *Treatise*, 495; *Enquiry*, 188. Cited from Haakonssen, *Science of a Legislator*, 15. The precise relationship between utility and justice, which is beyond the scope of my study, has to do with the social utility gained in society when individuals abstain from theft of property of others, despite nature's scanty provision. See Hume, *Treatise*, 489; and Haakonssen, *Science of a Legislator*, 15.

necessaries and conveniences of life which it annually consumes.”⁶⁵⁸ Unlike the concept of utility, which Smith believed was rationalistic insofar as it appeared in Hume’s philosophy as a first principle without deductive or inductive connection to more particular levels of analysis where individuals interact with each other in quotidian life, Smith’s concept of labor, though generalized to society-at-large as an “annual fund” in a given year, is clearly linked through various stages of induction and deduction via the division of labor at every level of analysis in the economy.

Thus another conceptual nexus between prior economists and Smith is the division of labor. This is where Smith makes an important advance. There are so many texts that allude to the division of labor before *Wealth of Nations* that it is almost impossible to discern which influenced Smith the most. Suffice it to say it had been an important category of thought for at least a century before. We’ve already seen that Petty had an early version of the division of labor. His notion was characteristic of those economists prior to Smith who tended to speak of the division of labor in terms of entire societies, where one person produced houses, another food, and yet another tools, etc. Smith would agree with this observation but would also call it the condition of a “rude state.” This version of the division of labor was abstract and overly general—what Marx would call a “chaotic” conception of the whole in the *Grundrisse*. It was the effect of a form of thought that was willing to ruminate on the origins of civilization. It promised no scientific, or what Schumpeter would call more precisely analytical, merit or pay-off. Along similar lines Bernard

658. Smith, *Wealth of Nations*, 8.

Mandeville wrote in the sixth dialogue of volume two of his *Fable* that all are better off if one person makes bows, another arrows, yet others food, huts, garments, and utensils. Interestingly, though, he then re-frames the division with respect to a single good, watches:

The truth of what you say is in nothing so conspicuous, as it is in Watch-making, which is come to a higher degree of Perfection, than it would have been arrived at yet, if the whole had always remain'd the Employment of one Person; and I am persuaded, that even the Plenty we have of Clocks and Watches, as well as the Exactness and Beauty they may be made of, are chiefly owing to the Division that has been made of that Art into many Branches.⁶⁵⁹

This means Smith was not the first economist to take the concept down into the factory of a single commodity. But even though Mandeville moved the concept of division of labor to a more concrete level of abstraction where it could potentially yield a far greater conceptual payoff, he was not able to grasp a key ingredient that would prove necessary for that giant leap forward. Mandeville did not comprehend the separation of political questions from economic production at the heart of the breakdown of the feudal order and the rise of commercial and early manufacturing society. Ultimately, Mandeville makes the division of labor epiphenomenal to the formation of the body politic, meaning it was secondary to and not constitutive of the progress of society. He says: “When once Men come to be govern’d by written Laws, all the rest comes on a-pace. [...] No number of Men, when once they enjoy Quiet, and no Man needs to fear his Neighbour, will be long without learning to divide and subdivide their Labour.” In the end, Mandeville’s division of labor is a side note, a

659. Bernard Mandeville, “The Fable of the Bees or Private Vices, Publick Benefits,” Part 17; <https://ebooks.adelaide.edu.au/m/mandeville/bernard/bees/part17.html>.

mere benefit that accrues to a peaceful society based on the rule of law, and there is no further attempt to link it to the production of value or wealth per se.

Smith very well may have taken his cue from Mandeville or others like him who developed the division of labor into a concept that reflects the productivity of a particular good. The difference is that Smith elevates the division of labor to nearly the top of his taxonomic hierarchy of concepts within economics. In this position it could now assume the role he intended to give it, which was the source of wealth itself. This applied even more so to gains from a division within manufacturing.

The division of labor is something that Smith would famously observe in the “trifling manufacture”⁶⁶⁰ of pin-making. For him to say that his example was trifling was in no way a concession of weakness in his theory. Far from it. It is the absolute ground-zero of his mode of abstraction upon which he builds the explanatory power of his theory of productive labor from the simplest operation to the more complex. “In every other art and manufacture, the effects of the division of labour are similar to what they are in this very trifling one.”⁶⁶¹ Going further, there is at least the appearance in thought of a measurable ratio that relates the degree of division of labor to productivity gains: “The division of labour, however, so far as it can be introduced, occasions, in every art, a proportionable increase of the productive powers of

660. Smith, *Wealth of Nations*, 12.

661. Ibid., 13. He distinguishes between a trifling manufacture and more complex ones in which “the labour can neither be so much subdivided, nor reduced to so great a simplicity of operation” (13). This raises a question: is he making a purely theoretical construction or is his analysis of pin-making, wherein the division of labor yields “48,000 pins in a day” (12), empirical? Whether his thought-form is driven by abstraction and, if so, the quality of his abstractive activity are related but different questions. This would require further research.

labour.”⁶⁶² Finally, we can say with some confidence that Smith was consciously re-working the category of division of labor from the simple generalization that others gave it to being the concrete point of origin in his theory of capitalist productivity. The countries that “enjoy the highest degree of industry and improvement” see the greatest division of labor, and “what is the work of one man, in a rude state of society, being generally that of a several in an improved one.”⁶⁶³

In this single move he superseded Quesnay’s ignorance in the claim that manufacturing was parasitical on agriculture.⁶⁶⁴ He also effected, in thought at least, the separation of the economic sphere from the political, which Mandeville did not do and neither did Hume for he was working his way out of the shadow of a Hobbesian-Lockean state of nature debate. Smith takes note of Hume’s progress and then ignores the state of nature altogether.

If Smith’s theory was an “essential hiatus” as Foucault says it is, it surely has little to do with whether or not Smith was thinking in terms of representation, which is Foucault’s underlying stance (in fact we’ve already seen how Smith’s moral philosophy had already moved well beyond mere representation to the next episteme of man who is both subject and object of analysis). Smith unlocked an important secret of the modern dispensation, which is a capitalist system wherein the organizational principle of the nation’s total economic production, which is the

662. Smith, *Wealth of Nations*, 13.

663. *Ibid.*, 13.

664. Smith went further than merely superseding Quesnay’s contention. He says that the production of corn in a poor state like Poland or even France might be as good as that of an advanced country like England, but the poor countries “can pretend to no such competition in its manufactures,” *Ibid.*, 14.

highest level of generality, is based on a division of labor within particular firms, which is abstract yet concrete. Foucault failed to see Smith as a real break from the past in this regard.

What usually goes unremarked by historians but which follows logically from the division of labor, Smith would most likely argue, is that the division of society into distinct classes, especially those who employ capital and those who labor, is also a reflection of the division of labor. In this regard Smith borrowed a sociological framework of the population from Cantillon and Quesnay, but he altered it by grounding it in the abstract category of division of labor. From the Physiocratic doctrine that all surplus value comes from agriculture, it followed that the only truly productive class of society was cultivators; all those who work in industry, both owners and workers, were “sterile” because the means of their reproduction must come from the surplus generated by agriculture. For Smith, writing in England where capitalist production was more advanced than France, the true class composition of capitalist society appeared to him more clearly: capitalists, wage laborers, and landowners. On this basis Smith was thus able to avoid some of the conceptual mistakes of the Physiocrats. He is able to identify industrial profit as the form of income of the capitalists, thus avoiding the Physiocratic conflation of rent to landowners as the same thing as surplus value. Of course Marx would interject that this is an over-reliance on a simple and concrete abstraction beyond what it could reasonably explain. Marx’s historical critique of Smith would be effective in this regard, for a historical conception of the class composition of society would have to

address waves of primitive accumulation that made the division of society into wage laborers possible in the first place, as opposed to seeing the division as a natural and automatic development.

What did Smith think guaranteed an automatic trend towards a division of labor? When I introduced above Smith's concept of the division I suggested that his theory is different because it elevates this category to near the top of his hierarchy of concepts. It is the penultimate concept, because there is one category that Smith offers as the cause of the division of labor. In other words while it is true that Smith thinks many benefits flow automatically from the division, he grounds the tendency towards division in an underlying characteristic of individuals in their social nature.

This division of labor, from which so many advantages are derived, is not originally the effect of any human wisdom, which foresees and intends that general opulence to which it gives occasion. It is the necessary, though very slow and gradual consequence of a certain propensity in the human nature which has in view no such extensive utility; the propensity to truck, barter, and exchange one thing for another.⁶⁶⁵

There are actually several things going on in this remarkable assertion by Smith. The first observation is that Smith comes out swinging at any possibility of a rationalistic basis for the division of labor. This is clear by his rejection of "any human wisdom that foresees and intends" something like the division of labor. The placement of this phrase should also be taken as explicit, textual evidence that he is constructing his argument by taking aim directly at Hume and Hutcheson. In this passage Smith has effectively rejected a Humean utilitarian ground for economics.

665. Smith, *Wealth of Nations*, 21.

He already previewed an anti-utilitarian foundation for thought in *The Theory of Moral Sentiments* regarding a science of man in society; now it reappears here in *Wealth of Nations* as well with respect to economics. In the prior text Smith refutes Hume's notion of social utility on the argument that the bulk of humanity has no prior view in mind of the utility of justice in society, even though, as Smith concurs, there can be no doubt that justice has a utility (i.e., it serves the public interest) and is even absolutely necessary. In *Wealth of Nations* Smith says similarly that the division of labor, even though it is the source of so many public benefits, cannot be foreseen, meaning there was no prior intention among people to divide labor amongst themselves in order to accrue the benefits of doing so.

Yet is there some prior category that critical thought can identify that is not already implicated by the meaning of the second category, which is the one that the philosopher is attempting to explain? The propensity to truck and barter and exchange is that prior category as far as Smith is concerned.

I won't dwell on the reasonableness of this assumption; rather, I want to highlight what seems to me an important unity between Smith's form of thought, which is guided by abstraction as an epistemic action, with its content, which is the identification of categories that obey certain logical relationships to other categories in an overall conceptual system. By working against what he perceived to be Hume's slippage towards rationalism, which he would have called philosophical short-cutting or projection, Smith gained a deeper understanding of how concepts interact within a form of thought guided by rational abstraction.

Smith's attempt to avoid a slide towards rationalism can be seen in his use of the phrase "necessary...consequence." He uses this term of logic on more than one occasion. In the quotation above he argues that the propensity to truck and barter has a "necessary...consequence," which is the division of labor. Smith has learned from Hume's brilliant insights from another context—that an analysis of the relation between the individual and society can include automatic, which is to say unintentional yet "necessary," outcomes and "consequences." He uses this rhetoric often in *Wealth of Nations*: "This great increase of the quantity of work, which, in consequence of the division of labour...", "the improvement of the dexterity of the workman necessarily increases the quantity of the work he can perform...", "one simple operation...necessarily increases very much the dexterity..."⁶⁶⁶ And once more, Smith uses this logical imperative to explain the source of the propensity to truck and barter:

Whether this propensity [to truck and barter] be one of those original principles in human nature, of which no further account can be given, or whether, as seems more probable, it be the necessary consequence of the faculties of reason and speech, it belongs not to our present subject to enquire.⁶⁶⁷

Clearly Smith is aware that at some point the philosopher must make a decision whether to assert a rationalistic "original principle" into theory. The upshot and perhaps psychological temptation of doing so is considerable: with it, philosophical thought can rest assured that it would require "no further account" because, as original, none can be given. This is probably why Hume was sympathetic to those

666. Smith, *Wealth of Nations*, 15.

667. *Ibid.*, 21.

before him who drew upon the state of nature, since it could be helpful as a methodological tool. Smith demurs, however, and opts for something that offers a lower degree of epistemic certainty in exchange for logical and methodological rigor. He knows that without a rationalistic first principle there can be no final ground upon which the deductive descent into man's nature can settle. He's ok with this. He simply leaves it at a probability that "the faculties of reason and speech" necessarily lead to the propensity to truck and barter.

Having briefly outlined the many ways in which Smith was actively borrowing and learning from his predecessors, it is now possible to summarize the relative newness of his political economy. In short it represents a conceptual revolution as a result of re-organizing and re-working key concepts that he borrowed from others into a conceptual hierarchy that made economics a relatively autonomous field of knowledge. My argument is that this process of reorganization and drafting a new hierarchy and taxonomy of concepts must be explained in part as a result of Smith's reliance upon abstraction to formulate his own theoretical system. This included a series of attempts to avoid rationalism in political economy. Of course he is not the first economist to make use of abstraction as an epistemic action, but his abstracting activity is appropriating a data set that proved to be very fecund; namely, both the intellectual heritage of the Scottish Enlightenment, especially David Hume, as well as the world of English manufacturing to which he was witness.

Having reconstructed key aspects of Smithian political economy, we are now in a position to evaluate more precisely Foucault's reading of Smith. He says that

Smith's analysis "distinguishes between the reason for exchange and the measurement of that which is exchangeable."⁶⁶⁸ The problem is that he deduces from Smith's new standard of measurement a concept of time that is not part of Smith's concept of value but which Foucault nevertheless inaccurately imputes to him: "[Smith] unearths labour, that is, toil and time, the working-day that at once patterns and uses up man's life."⁶⁶⁹ Although it is true that Smith elevated labor as the standard of value, it is not true that he grasped that the specific standard of measurement of value would have to be labor-time. What Smith realized is that the division of labor leads to an increase in the total amount of work being done by any one worker and by the nation as a whole.⁶⁷⁰ The closest Smith comes to thinking about time itself as the measure of value was in the second of three circumstances where the division of labor leads to "the saving of the time which is commonly lost in passing from one species [of the production process of a commodity] to another."⁶⁷¹ This, however, is not what Foucault is saying. In fact, it would not be until Marx's labor theory of value that abstract labor-time would become the standard of measurement. By making this mistake, Foucault reads into Smith something that is not there; he is taking a concept from Marx and attributing it to Smith.

Consequently, Foucault fails to identify a key contradiction in Smith's concept of labor. What Smith actually believed was something that he derived from his notion

668. Foucault, *OT*, 224.

669. *Ibid.*, 225.

670. *Ibid.*, 15. With the additional proviso that the work being done is useful labor: see pg. 8-9.

671. *Ibid.*, 15.

of the “division of labor.” A society of exchange based on the division of labor is one in which the value of the products being exchanged by individuals must be thought of as the mutual “acquisition of the labour of other people...In exchanging the cloth that I have made for sugar or money I am in essence acquiring a definite quantity of other people’s labour.”⁶⁷² Smith is confusing labor with its products. A contradiction in Smith’s thought has its origin in this point of confusion because to say that the exchange of products is the same thing as the exchange of labor requires two different conceptions of exchange. Products of labor are no doubt exchanged in the market—this is the literal sense of the word. But underneath this literal fact of market exchange is the social “exchange” of living labor that is bought and sold. Both Smith and Foucault are blind to this consequence of Smith’s thought. Although there are great achievements in Smith’s labor theory of value, it ultimately is a reflection of the early form of manufacturing that he observed in which the real but simple social division of wage labor was the basis of productivity gains.

As Marx astutely observed this was a period when labor became a use-value for one of the constituent orders of society that Smith identifies in *Wealth of Nations*. To the capitalists labor was indeed represented as an object of “desire,” which is to say as a utility. Whereas Foucault is suggesting that labor is responsible for instantiating a “behind-the-scenes world even deeper and more dense than representation itself,” it was precisely with Smith’s groundbreaking reconfiguration of the constituent social orders of society that made it possible for labor to appear as

672. Rubin, *History of Economic Thought*, 188.

nothing more than a utility that could be represented by its wage. It is possible to say that Smith's concept of labor complicates the concept of value when the value in question is any good created by labor, but it was precisely this complication that became the condition of possibility of thinking of laboring activity itself as being desirable, as being needed, as being a use-value and having a utility.

This is why, when Foucault concludes

representation is in the process of losing its power to define the mode of being common to things and to knowledge. [And that] the very being of that which is represented is now going to fall outside representation itself,⁶⁷³

He is not only previewing his argument that the appearance of Man at the beginning of the nineteenth century will become the new Modern episteme insofar as Man-whose-laboring-activity-is-productive “falls outside” the superficial representation of desire for goods. He is also unwittingly failing to take into account the fact that modern individuals, by virtue of their labor that is productive, enter into capitalist society as a utility. In other words, individuals qua labor are merely representable by dint of social relations of production that assign to them a value in the form of a wage. To this extent Foucault's conception of Man as the basis of the Modern episteme is not the same individual who is actually coming into existence in real, concrete modern society.

Is it possible that Foucault is tracking the rise of a particular conception of the individual—a “bourgeois” figure who is represented within ideology but whose actual existence does not comport with the material order of the day? I am speaking of the

673. Foucault, *OT*, 240.

contradictory notion of the abstract individual who enjoys rights and freedoms in the political sphere but who in the economic sphere is not free at all so long as her material welfare is contingent upon her ability to function as wage labor. The abstract individual of rights is not, however, the figure of Man that Foucault means to define. In order for this to have been the case, it would have been necessary for Foucault to suggest that the episteme determines the ideas of a period but not the corresponding social practices in the real world. He is unequivocal on this point to the contrary: in every era there is only one episteme that explains ideas *and* practices.

Foucault's analysis fails to comprehend the totality of the conceptual history of labor, and it appears to be wrong in the particular sense explained above. It thus obscures the knowledge that political economy began to make clear in the eighteenth and nineteenth centuries based on the incremental stages in the revolution of the laboring process and how successive stages of productive organization demanded ongoing reconceptualization of this category of social life. The ongoing reconceptualization of labor was made possible in part by Smith and others' use of abstraction as an epistemic action.

CHAPTER FOUR

“There are just as many notes, Majesty, as are required. Neither more nor less”: The Search for an Invariable Criterion of Value and Liberating Marx from Foucault’s Neo-Ricardianism

In this fourth chapter I assess Foucault’s contention in *The Order of Things* of a major epistemic break between Adam Smith on the one hand and David Ricardo-Karl Marx on the other. My critique of this hypothesis is grounded in the fact that both Smith and Ricardo adopted a mechanistic form of materialism that assumed a high degree of automaticity in the laws of political economy. Their shared concept of materialism was a shared epistemic condition for their respective political economies.

Then my attention turns to the relationship that Foucault draws between Ricardo and Marx. Marx receives scant attention in *The Order of Things* yet we can say his political economy is on the target of Foucault’s firing squad. Foucault does not posit an epistemic break between Ricardo and Marx, though I suggest he should have. In essence Foucault joins a long line of economic historians, including Schumpeter, who characterize Marx as neo-Ricardian. Such an account of Marx can only be true under one condition: the failure to comprehend the essentially productive role that abstraction as an epistemic action served Marx in his critique of Ricardo’s labor theory of value. Without the power of abstraction Marx would not have been able to develop more fully the category of labor beyond Ricardo’s. Without the power of abstraction Marx’s political economy would not rise to the level of critique of Ricardo; it would remain a mirror opposite or inversion of Ricardo’s stationary state thesis. This is the view of Marx that Foucault adopts.

I do not mean to suggest that Marx was the first economist to make use of abstraction. Far from it. In chapter two I presented evidence that Bacon, Petty, Cantillon, and Quesnay made prolific use of abstraction—as they understood it—to comprehend their respective societies. In chapter three I present in considerable detail how Adam Smith relied upon abstraction as a method of critique of Humean utilitarianism. Foucault does not address this. Actually, Marx also fails to give these others their due (see chapter two and three).

In the void left by the ostensible negation of the emancipatory potential of a historical transition beyond the capitalist mode, Foucault embraces the more limited but by his judgment realistic critical distance afforded by a linguistic turn in social research and theory. The upshot from his point of view is that the social function of language remains open to a possible new episteme beyond that of modern man and the diffusion of language (see chapter three). In this context the death of man is useful because this unhappy figure is caught up in modernity's never-ending, anxiety-ridden journey between the Scylla and Charybdis of being both subject and object of knowledge. However, in my conclusion below I present an alternative view that links the role of abstraction as a critical method of thinking about the world to the underlying social relations of material society that are constantly calling forth new categories of thought as they undergo change.

A brief note regarding Foucault's archival access is in order. He actually consulted a French translation of David Ricardo's *Oeuvres complètes* from 1882,⁶⁷⁴

674. Foucault, *Les mots et les choses*, 265-67.

not the 1846 *Works* out of London.⁶⁷⁵ Although Marx is brought into Foucault's story of Modernity, he is neither quoted indirectly nor cited at all. Foucault was satisfied to merely paraphrase him.

Preview of the argument

In Foucault's account of economic thought, David Ricardo's system of political economy signifies the complete shift from the Classical to the Modern period. This reflects the consolidation of economic thought under the single category of production. The story of economics that Foucault writes goes no further than Ricardo.⁶⁷⁶ There are a few passing references to Marx, and not a single economist after Marx is mentioned.

The category of production in Ricardo's thought is indeed central, but placing Ricardo at the pinnacle of the Modern moment (as far as political economy is concerned; I make no claims regarding Foucault's assessment of biology) raises a couple questions. First, what is the relation between Adam Smith and Ricardo? Is it feasible to suggest, as Foucault does, that the epistemic conditions of economic thought underwent such a dramatic revolution that there is a strict discontinuity separating them? Second, what precisely is the status of Marx in Foucault's argument? It's not only the case that Marx followed Ricardo by several decades, which would place him solidly under the terms of Foucault's Modern episteme, but

675. See Foucault, *OT*, 301, notes 1-4.

676. In chapter three I reconstructed Foucault's argument that the category language supersedes labor.

also that Marx worked on political economy at the time of the disintegration of the Ricardian school, and he had much to say about this.

Keeping in mind that when Foucault says there is a change in epistemes, it means the ideas, concepts, and form of thought from a prior period become unintelligible to the subsequent one (it may be more accurate to say the subsequent period can no longer comprehend the prior). On these terms there can be no doubt with respect to the first question—regarding the relation between Smith and Ricardo—that Foucault is incorrect to posit a sharp break between them. His thesis reflects the needs of his archaeological method and his own propensity to lean on sharp discontinuities, as opposed to a careful consideration of the facts regarding Smith's influence on Ricardo and how the latter sought ways to improve upon the former. I deal with this briefly in the next section below.

An answer to the second question on Ricardo and Marx must be approached in three stages. The first and second stages require a reconstruction of Foucault's reading of Ricardo followed by a summary of what he says about Marx in light of this; the third stage of my critique approaches the Ricardo-Marx nexus from a view unbiased by Foucault's interpretation. It will be seen that Foucault's neo-Ricardian interpretation of Marx fails to comprehend the import of Marx's use of abstraction as an epistemic action to formulate a critique of the Ricardian system.

The penultimate stage of my critique revolves around the status of a search within political economy for an invariable criterion of judgment of value. This would be a variable that is a feature of the theory insofar as it is "determining, but not

determined,”⁶⁷⁷ thereby affording a theoretical system a high degree of stability. David Ricardo wrestled with this but ultimately came up short. His mistake was an assumption that the standard could be one commodity among all the others. Given the presupposition that his inquiry adopted, his intellectual honesty led him to conclude that no such standard could be found. In lieu of a real invariable standard, he proffered an argument on behalf of gold. For his part, Marx was not shy about taking credit for being the first to distinguish between abstract labor and concrete labor. The separation of these two categories enabled him to identify abstract labor as the invariable criterion of value. Abstract labor is not one commodity among others; rather labor-power is exchanged on the labor market as a commodity like any other and receives a wage. But abstract labor and labor-power are two different, though obviously related, concepts. This, I will show, was made possible by the conscientious manner in which Marx relied upon abstraction as an epistemic action.

The foregoing penultimate reconstruction of Ricardo and Marx on the issue of a criterion of judgment leads into my final analysis. I end my critique of *The Order of Things* with a reconsideration of Foucault’s Modern episteme. This time I seek to draw out the rational basis of Foucault’s concern regarding man’s quandary as the subject and object of knowledge. Precisely this: it becomes apparent that this condition prevents any possibility of an invariable criterion of judgment of Man as such. Foucault is aware of this: for if one were possible there would be no need to declare the death of man as a condition of possibility of some future post-modern

677. Maurice Dobb, *Political Economy and Capitalism: Some Essays in Economic Tradition*, (New York: International publishers, 1945), 7.

episteme. And yet I showed earlier that Foucault is driven relentlessly towards linguistics as a possible criterion that escapes from man's condition as subject and object. Foucault seems to be taking both forks in the road.

Rather than accede to Foucault's premises and prognostications, I would like to reconsider the question from the perspective of formal adequacy of a theory.

Theories are constructed with an eye towards demarcating and then explaining or clarifying some certain aspect of the lifeworld, some corner of our thoughts, some irreconcilable contradiction or aporia. In this sense, different theories fulfill different social functions insofar as they address a particular but no doubt limited context of data and events. By definition theories are a *praxis* of abstraction. Foucault has provided a theory that binds together the categories of political economy with epistemological questions and categories from linguistics and semiotics. An immanent critique must be able to enter into this theoretical construction and assess the ground upon which it stands. Foucault would be right to reply that the *praxis* of theorizing and historicizing is not singular; rather, it is ongoing and plural.⁶⁷⁸ True.

⁶⁷⁸. Around the time that he wrote a new foreword for the English translation of *The Order of Things*—where I've pointed out he adopts a new definition of episteme—Foucault wrote, "I am a pluralist. The problem which I have set myself is the *individualization* of discourses [...] My problem is to substitute the analysis of different types of *transformation* for the abstract general and wearisome form of 'change' in which one so willingly thinks in terms of succession," see Michel Foucault and Anthony M. Nazzaro, "History, Discourse and Discontinuity," *Salmagundi*, no. 20 (1972): 226 and 229. His thought in the early 1970s is still fixated on the problem of telos (viz., "succession"). He had not yet moved towards a position in which change *as such* could have elements of continuity without being teleological. The more detailed question for further research at another stage of my work will be how did his evolving reconceptualization of epistemic conditions, continuities, and discontinuities inflect his understanding of economics specifically?

Perhaps the element of language's materiality that he overlooks, however, is that plurality, dynamism, and contingency are primarily at the level of thought itself, whereas concrete language-in-use delimits meaning to a certain degree—that is, at least until somebody comes along and, in a *praxis* of abstraction as epistemic action, attempts to question or recover the semantic meaning of a previous iteration in order to give it a new face.

My specific argument is that the hierarchical prominence accorded to language over labor in *The Order of Things* is the result of not so much a category problem but rather a failure to comprehend that different fields and/or “levels” of abstraction—perhaps it's sufficient to say different theories—have different criteria of judgment. To lay failure at the feet of a domain of knowledge that has no intellectual interest or competency to address the question you pose to it is the error that the archaeological method commits. Foucault reads the actual non-interest that political economy takes with respect to the purely philosophical question of man as subject and object as failure and as a problem of great import. Upon this reading he relegates Marx's critique of the capitalist system to the dustbins of history.

An insuperable continuity between Smith and Ricardo

In previous episodes of my analysis I identified a problem with Foucault's narrative in his general failure to give an account of abstraction. The relation between Ricardo and Smith is interesting because it is not immediately evident whether the ties binding Ricardo to Smith must be thought of as a function of Ricardo's reliance

on abstraction. A simpler hypothesis would be Ricardo time and again closely considers Smith's concepts and conclusions in the process of pointing out his agreements as well as various *non sequiturs* and other logical inconsistencies in Smith's reasoning. At what point does the character of criticism pass a threshold from logical inconsistencies to newly abstractive thought? What is clear, however, is Ricardo's *On the Principles of Political Economy and Taxation* (1817) reads in many places like a straightforward errata of Smith's mistakes. Unlike Marx, who hemmed and hawed over the difference between his mode of analysis versus his form of presentation, Ricardo seemed to pay scant attention to such matters.⁶⁷⁹ His overall layout and form of presentation was not of great significance. "As his letters show, he wrote according to the sequence of his own ideas, without any more elaborate plan than was implied in the heading, 'Rent, Profit and Wages'."⁶⁸⁰ None of this is to say that Ricardo is not relying on abstraction as an epistemic action, only that the threshold my analysis needs to pass may not require recourse to an analysis of Ricardo's abstractive qualities. (This is different, say, from my analysis of Smith's critique of utilitarianism, which was motivated by Smith's skepticism of Hume's rationalistic reliance on a philosophical first principle.)

679. Marx zeros in on the "very peculiar and necessarily faulty architectonics" of *Principles* before concluding "the Ricardian theory is therefore contained exclusively in the first six chapters of the work." But then he clarifies that the faulty architectonics are in the first six chapters, since the faults there "express the scientific deficiencies of this method of investigation itself." On the next page Marx contradicts himself: "Thus the entire Ricardian contribution is contained in the first two chapters of the book," Marx, *TSV*, II, 166-9.

680. David Ricardo, *Works and Correspondence of David Ricardo*, ed. Piero Sraffa, Vol. 1, *On the principles of political economy and taxation*, 11 vols., 1951, Reprint, (Cambridge: Press Syndicate of the University of Cambridge, 1990), xxii.

An example of Ricardo's logical scrutiny of Smith's political economy comes in the chapter on the nation's gross versus net revenue.

Adam Smith constantly magnifies the advantages which a country derives from a large gross, rather than a large net income. "In proportion as a greater share of the capital of a country is employed in agriculture," he says, "the greater will be the quantity of productive labor which it puts into motion within the country; as will likewise be the value which its employment adds to the annual produce of the land and labour of the society."⁶⁸¹

This is a reference to Smith's initial claim at the outset of *Wealth of Nations* that in every year there is an annual fund of labor responsible for producing all of the nation's wealth. Ricardo poses a rhetorical question that reveals the weakness in Smith's analysis:

Granting, for a moment, that this were true; what would be the advantage resulting to a country from the employment of a great quantity of productive labour, if, whether it employed that quantity or smaller, its net rent and profits together would be the same.⁶⁸²

It is an elegant instance of Ricardo's point that the surplus left over at year's end is the more important factor, not the total, or gross, production of wealth and not the total fund of productive labor put to work in the process of surplus creation. He arrives at this conclusion by a (simple) reconsideration of Smith's logic. He homes in on his argument by saying "it is of no importance" whether a nation has x or y productive laborers, rather the nation's capacity of "supporting fleets and armies, and all species of unproductive labour, must be in proportion to its net, and not in

681. Ricardo, *Principles*, 346.

682. Ibid.

proportion to its gross income.’’⁶⁸³ The power of a country, Ricardo says against Smith, is not a function of its total annual produce but of its net revenue. By formulating a new relation between productive labor as a total annual fund and net, or surplus, income, he was able to reconceptualize the category of the surplus.

It appears that simple logic was all he required to correct/revise Smith’s claim. On the other hand it also seems that the outcome of Ricardo’s analysis is a higher degree of abstraction of the surplus, at least in the sense that this particular category can now assume a different relation within the overall theory to other categories, some of which had been thought more important but now no longer.

This raises an important question regarding the definition of abstraction as an epistemic action. It is not evident whether abstraction as an epistemic action should be construed as a means towards an end, the end itself, or both. To what degree must we be conscious of our abstractive activity? Does conscious intention play a role in the definition of abstraction? Without adjudicating this question to a satisfactory degree at this point, suffice it to say that we may be able to point to a difference between these two elements of abstraction, its means and its ends. In both elements a comprehension of the quality, or soundness, of thought might be one way to avoid simple mistakes. With respect to the ends of abstraction, there are what we might call material, or scientific, abstractions, which are categories of analysis that enter into the history of thought as the best possible explanations of the materio-social world itself; these would be different from what I would simply call ‘bad abstractions.’

683. Ricardo, *Principles*, 348.

At the very least it should be clear that Ricardo's economic thought cannot be separated from Smith's in terms of the conditions that made their respective systems possible in the first place. Smith's concepts as well as his form of reasoning were one condition of Ricardo's activity.

Foucault's interpretation of Ricardo in *The Order of Things*

Foucault turns to Ricardo's analysis in Chapter 1 of *On the Principles of Political Economy and Taxation* to expose the contradiction in Smith's thought. There is an identity at the heart of Smith's concept of labor that constitutes the deep fissure in the Classical episteme's power of representation over all objects. Labor could assume its privileged position in the Classical order on one condition: "it was necessary to suppose that the quantity of labour indispensable for the production of a thing was equal to the quantity of labour that the thing, in return, could buy in the process of exchange."⁶⁸⁴ But, as Ricardo says,

If this indeed were true, if the reward of the labourer were always in proportion to what he produced, the quantity of labour bestowed on a commodity, and the quantity of labour which that commodity would purchase, would be equal, and either might accurately measure the variations of other things: but they are not equal; the first is under many circumstances an invariable standard, indicating correctly the variations of other things; the latter is subject to as many fluctuations as the commodities compared with it. Adam Smith, after most ably showing the insufficiency of a variable medium, such as gold and silver, for the purpose of determining the varying value of other things, has himself, by fixing on corn or labour, chosen a medium no less variable.⁶⁸⁵

684. Foucault, *OT*, 253.

685. Ricardo, *Principles*, 14.

This contradiction, says Foucault (“confusion” is how he refers to it), was caused by the representation episteme. Whether it was the first element of the identity or second, they were both “seen as communicating in the transparent element of representation.”⁶⁸⁶ Now, it’s not clear why, if both elements are participating in representation, this contradiction that Ricardo has discovered in Smith’s thought has to signal a crisis for the episteme. Foucault does not explain this. Nevertheless, by dint of what can only be some force that is exterior to the archaeological method, David Ricardo’s system of political economy returns Foucault’s analysis of economic thought to the stability of a real episteme.

The Modern episteme is commensurate with Ricardo’s labor theory of value that prioritizes expended labor as the source of value.⁶⁸⁷ The true significance of this move by Foucault is that the Modern episteme can be said to be grounded in a concept of production. In chapter two I argued this argument was tendentious to the extent that the Physiocrats had a relatively strong concept of production in their theory, which was the *net produit* of agriculture. Regardless, in Foucault’s narrative production assumes its vaunted place:

Whereas in Classical thought trade and exchange serve as an indispensable basis for the analysis of wealth (and this is still true of Smith’s analysis, in which the division of labour is governed by the criteria of barter), after Ricardo, the possibility of exchange is based upon labour; and henceforth the theory of production must always precede that of circulation.”⁶⁸⁸

686. Foucault, *OT*, 253.

687. Foucault: “the quantity of labour makes it possible to determine the value of a thing...first and foremost because labour as a producing activity is ‘the source of all value,’” *ibid.*, 254.

688. *Ibid.*, 254.

Foucault's perspective is plausible but not persuasive. He is very committed, perhaps to a fault, to the argument that all economic thought before Ricardo is governed by trade and exchange. These were no doubt salient aspects of the social world and therefore thought of the eighteenth century. However, Foucault's method routinely fails to appreciate newly emergent trajectories of analysis that are a result of the success of abstraction. For this reason he finds the notion of discontinuity feasible.

There are three consequences, as Foucault sees it, that characterize all economic thought in the Modern era. First, production in the Modern era is grounded in a form of labor locked into a specific and rigid causality, a "great, linear, homogenous series."⁶⁸⁹ It is a mechanistic and unavoidable dynamic. Economic historian I.I. Rubin concurs. Ricardo "presupposes that the tendencies inherent in a capitalist economy act with full force, encountering no delays along their way."⁶⁹⁰ Foucault seems to think this means economics is given for the first time a distinctly temporal dynamic. He makes an interesting observation that this temporal dimension is in contrast to the Classical epoch during which wealth was represented spatially across a table of equivalences that analyzed the identities and differences of objects. This is doubtful, however. Quesnay's system had an elegant conception of the national economy as a sphere that ballooned larger or lost volume from one year to the next as a function of the degree to which productive labor was put to work on the land. Smith had a notion of the stationary state as a possible outcome of economic

689. Foucault, *OT*, 255.

690. Rubin, *History of Economic Thought*, 241.

organization. Thus Ricardo was not the first economist to have a notion of economic temporality, which suggests Foucault is wrong to offer this as something that distinguishes him from his predecessors. Though Ricardo did espouse a temporal conception of economic dynamics, the laws governing that dynamic are so rigid that it cannot properly be called a historical temporality. It is more synchronic than diachronic.

The second consequence is a new concept of scarcity. During Foucault's Classical period scarcity was a function of need. As needs increased or decreased at this or that particular point of representation on the spatial table of identities and differences, so too scarcity for that particular need's equivalent went up or down. Foucault gives the example of a poor person for whom wheat is scarce but not scarce for a rich person. Scarcity, like everything, is something that is represented. With Ricardo the form of thought becomes inverted. "The apparent generosity of the land is due, in fact, to its growing avarice; what is primary is not need and the representation of need in men's minds, it is merely a fundamental insufficiency."⁶⁹¹ Here, of course, Foucault is giving his own account of Ricardo's law of diminishing fertility of the soil. In truth Ricardo's theory is a carry-over from Physiocratic doctrine, not an inversion of it. Quesnay had no illusion that agriculture produced food without diligent management of the economy by the state. In other words the land was only generous if productive labor was assiduously applied to it. Also, Ricardo is taking issue with a Malthusian theory in which the rate of population

691. Foucault, *OT*, 256.

growth always outstrips the economic production of food; he wants to show that economic dynamics are determinative and will control population rates (see the next paragraph). Still, Foucault makes a compelling insight into the historiography of a particular concept, in this case scarcity. What we can take from his analysis, after bracketing his view of Ricardo on this particular topic, is that scarcity was a pervasive, existential norm during a period when the economy had not yet mastered production to the point of superfluity.

This leads to the third consequence that Foucault identifies in Ricardo. In summarizing all of the effects of Ricardo's analysis, he concludes that the temporal evolution of economics gives rise to the finitude of Man. Uninterrupted growth in population forces the cultivation of more and more tracts of land. Since land is not all equally productive, there is an inevitable diminishing return on the totality of agricultural production. This results in ever increasing costs of production and higher rates of expended labor. Under this scheme the owners of those tracts of land that are brought into cultivation realize higher and higher profits by raising the price of ground rent. Wages of workers may increase, but not in proportion to the escalating costs of production on less productive land. Industrialists' profits will ultimately decrease in an inverse ratio to the landowners' increase in ground rent. "For it is found, that the laws which regulate the progress of rent, are widely different from those which regulate the progress of profits [in industry], and seldom operate in the same direction."⁶⁹²

692. Ricardo, *Principles*, 68.

The final stages in this evolutionary economics is that at a certain point in time industrial profits will fall too low to hire new workers. Without wages the working population will have to decrease in numbers. This redounds back upon the whole economy because a lower population means it will no longer be necessary to cultivate new lands. Upon this outcome Foucault suggests that man's finitude is revealed within thought as an effect of Ricardo's stationary state.⁶⁹³

Foucault's neo-Ricardian interpretation of Marx

Foucault pays scant attention to Marx's *oeuvre* in *The Order of Things*. The few times he refers to Marx, it is always *Das Kapital* he has in mind. There are no references to any of Marx's other texts, including the *Grundrisse* and *Theories of Surplus Value*.

The relationship between Ricardo and Marx provides Foucault one final example of how the entire history of economic thought is nothing more than a series of debates in which two representatives of oppositional camps are merely a reflection of the underlying episteme that governs both. We've seen this more than once already: Malestroït versus Bodin in the sixteenth century's debate over the Price Revolution; the utilitarians Graslin and Condillac versus the Physiocrat Quesnay. Any substantial or methodological difference between Ricardo and Marx is similarly evacuated of significance. "Foucault makes no great distinction between the political

693. "The tide of History will at last become slack. Man's finitude will have been defined—once and for all, that is, for an indefinite time," Foucault, *OT*, 259.

economists and Marx: the controversies between them are no more than ripples in a children's paddling pool.”⁶⁹⁴

Foucault is not alone in denying to Marx a serious consideration of the productive role of abstraction in his economic science. This is one area where Foucault and Schumpeter align. Schumpeter only lists the three volumes of *Capital* in his list of frequently cited books⁶⁹⁵ in *History of Economic Analysis*, yet curiously he cautions his reader that “any economist who wishes to study Marx at all must resign himself to reading carefully the whole of the three volumes of *Das Kapital* and of the three volumes of *Theorien über den Mehrwert*.”⁶⁹⁶ In actuality Schumpeter does not say very much about *Theories of Surplus Value*. In one reference he suggests *Theories* is proof that Marx the analyst “wrestled with such passionate zest as to be diverted from his main line of advance,” which is to say that Schumpeter believed that Marx's history of economic ideas was a distracting tangent from his scientific project in *Capital*. Marx intended *Theories of Surplus Value* to be one volume in a much larger work on economic science, so this doesn't really hold water. It would also be incredible if Marx failed to learn anything of value from writing *Theories* that didn't make its way into *Capital*.

It is possible that Schumpeter draws from *Theories of Surplus Value* when he gives a halting nod towards Quesnay as one influence on Marx. This is interesting insofar as it detaches Marx from Ricardo as a matter of conceptual necessity: “I have

694. Macey, *Lives of Michel Foucault*, 168. This is actually a direct citation from Foucault, *OT*, 262.

695. Schumpeter, *HEA*, 1206.

696. *Ibid.*, 392.

mentioned the influence of Quesnay only as a possibility, because Marx's model might have been developed independently from the Ricardian base."⁶⁹⁷ But in the final analysis of Ricardo's influence on Marx, Schumpeter walks back from this. He acknowledges that other historians have argued for additional influences on Marx, but he evacuates the importance of looking into what those might be because "there is no cogent reason for assuming other influences more specific than what is implied in his [i.e., Marx's] having read, analyzed, and criticized very many other people. [...] In fact, as soon as one has grasped the importance of Ricardo's influence, [...] one will automatically cease to be interested in those suggestions."⁶⁹⁸

All of this links back to Foucault because Foucault and Schumpeter have at least two things in common. First, they both think of themselves as conducting an inquiry that is not reducible to a history of ideas. Foucault's archaeology of economic thought is a theory of the conditions of possibility of ideas; Schumpeter was doing a history of economic "analysis," by which he meant specific contributions to economics as a science or cogent theory. Second, as a consequence of their respective methods, they both categorize Marx as more or less a direct offshoot from Ricardo, though they do so with different emphases. Foucault leaves Marx in *The Order of Things* as the polar opposite of Ricardo with regard to the political outcome of the capitalist system; Schumpeter is straining against calling Marx a plagiarist of Ricardo: "Of course, Marx was the greatest of Ricardian socialists"⁶⁹⁹ and "Due

697. Schumpeter, *HEA*, 391.

698. *Ibid.*, 391, n. 14.

699. *Ibid.*, 479.

account being taken of differences in definitions and in degree of abstraction, every Marxist proposition is to carry the meaning which it would carry if penned by, say, Ricardo.”⁷⁰⁰

At other places it seems Schumpeter is uncertain about how to assess Marx’s contribution to the history of economic analysis. “Our plan is simple and works well in all cases save one: the case of the Marxist system.”⁷⁰¹ This is quite an extraordinary admission in a 1,184 page text that covers economics from Greco-Roman times to Keynes. Whether it is truly a solitary case of failure⁷⁰² or simply a humble qualification regarding someone he apparently admired,⁷⁰³ as will be seen, Schumpeter himself identifies the real origin of the failure. He does not pursue it seriously. The failure stems from a radical dissociation between what he defines as analysis, on the one hand, and its relationship to abstraction, for which Schumpeter’s particular procedure cannot account. Schumpeter realizes that

the difficulty is that in Marx’s case we lose something that is essential to understanding him when we cut up his system into component propositions and assign separate niches to each, as our mode of procedure requires. To some extent this is so with every author: the whole is always more than the sum of the parts. But it is only in Marx’s case that the loss we suffer by neglecting this is of vital importance, because the totality of this vision, as a totality, asserts its right in every detail and is precisely the source of the intellectual fascination experienced by everyone, friend as well as foe, who makes a study of him.⁷⁰⁴

700. Schumpeter, *HEA*, 385.

701. *Ibid.*, 383.

702. An assessment beyond the scope of this current project.

703. Marx is included (by Elizabeth Schumpeter) in Schumpeter’s obituary essays on the “ten greats” in Joseph Alois Schumpeter, *Ten Great Economists, from Marx to Keynes*, (New York: Oxford University Press, 1951).

704. Schumpeter, *HEA*, 384.

I contend that “the totality of this vision” that “asserts its right in every detail” may be partially attributed to the careful degree to which Marx relies on a mode of abstraction in his exposition of the economic “parts,” all of which may under certain conditions be assigned “separate niches,” and how these individual parts contribute to a whole that “is always more than the sum of the parts.” Put differently, Schumpeter’s method and purpose bar him from an adequate comprehension of the relation between abstraction and empiricism, which was an important aspect of Marx’s overall method. For Schumpeter these two things are incompatible. He adopts a limited understanding of empiricism as crude positivism, when in fact empiricism is simply the first basis for rational abstraction. He wants to claim Marx for the empiricists.⁷⁰⁵ There is much truth to this. In *The Holy Family* Marx wrote, “The real progenitor of English materialism is Francis Bacon.”⁷⁰⁶ This would be a sufficient characterization of Marx’s approach to empiricism and materialism if it were not the case that Marx thought of Bacon as merely a beginning of materialist philosophy. Bacon was naïve, though in a productive direction. “With Bacon as its pioneer, materialism contains in a naïve manner the germs of universal development.”⁷⁰⁷

In the next section I reconstruct Marx’s critique of the English empiricists.

Suffice it to say here that Schumpeter’s evaluation of Marx is confounded by the

705 “Marx reasons about the empirical world by the methods of empirical analysis; hence his propositions [...] have the usual empirical meaning or none,” Schumpeter, *HEA*, 385.

706. Karl Marx, “England and Materialist Philosophy by Karl Marx 1845,” <https://www.marxists.org/archive/marx/works/1845/holy-family/english-materialism.htm>.

707. *Ibid.*

subtle but important changes to the form of abstraction that Marx makes. It also confounds Foucault's understanding of Marx.

More specifically, Foucault thinks of Marx as neo-Ricardian. In the schematic that Foucault adopts, Marx's thought is governed by Ricardo's breakthroughs. In essence this means that the concept of Man, which is the effect of Ricardo's economics, casts a long shadow within which Marx is subsumed.

History portends its own end. But, Foucault suggests, it could go in one of two directions. The first scenario reflects Ricardo's stationary state after a period of historical evolution characterized by "indefinite deceleration." The alternative outcome is Marx's "radical reversal"⁷⁰⁸ of History via proletarian revolution. What appears to be their greatest difference at the level of a socio-political future—endless and banal capitalism versus communism—is actually in Foucault's account meaningless. These two options are "nothing more than the two possible ways of examining the relations of anthropology and History as they are established by economics through the notions of scarcity and labour."⁷⁰⁹

In Ricardo's narrative anthropological finitude is defined by the negativity of a fundamental scarcity until the stationary state is attained; in Marx's version, History's dynamic that alienates man from his labor causes the "positive form of his finitude to spring into relief."⁷¹⁰ The over-riding factor in both systems is finitude. Finitude is not only a melancholic subjective resignation into which modern man

708. Both terms are cited from Foucault, *OT*, 262.

709. *Ibid.*, 261.

710. *Ibid.*, 261.

stumbles like a deer caught in headlights in consequence of his epistemic condition as subject and object of knowledge. Finitude is actually man's concrete social condition so long as he believes he exists.

Given the centrality that David Ricardo plays in Foucault's account, it was perhaps inevitable that Marx would be consigned to this perception of Ricardo's defining contribution to modern political economy in the concept of production. The only possible relation between the two was to see them as offering polar opposite outcomes in the grand narrative of a history of man's finitude.

Placing them into this sort of relation was not necessarily a unique claim to make in the mid-twentieth century. Such a move might have struck Foucault as a viable updating for current times. He certainly thought of it as a definitive historicization of Marx's nineteenth century form of thought.

Correcting the Ricardo-Marx nexus

Marx is not merely working in the shadow of Ricardo's political economy; rather, he is standing on Ricardo's shoulders and seeing further into the social relations and structure of the capitalist system. There are innumerable specific conceptual changes that Marx made to Ricardo's system.

Marx believed Ricardo's analysis of the difference between the movement of rent versus capitalists' profit was an error. Ricardo said rent to landowners would be zero in a simple society because the population would be low relative to the abundance of fertile land. Over time the social situation changes (hence the temporal

dimension of Ricardo's laws of motion). "It is only, then, because land is not unlimited in quantity and uniform in quality, and because in the progress of population, land of an inferior quality, or less advantageously situated, is called into cultivation, that rent is ever paid for the use of it."⁷¹¹ Ricardo's theory of rent probably reflected at least two things. First, he was greatly concerned over the Corn Laws in Britain, which he declared in Parliament as "one of the country's 'two great evils.'"⁷¹² His theory showed that a growing proportion of the nation's surplus would go to landowners at the expense of industrial profits. The Corn Laws exacerbated this dynamic by restricting the importation of corn⁷¹³ into the country. Public policy was hastening the slide towards a stationary state. Second, as mentioned above, Ricardo rejected Malthus's theory of population. Malthus believed the rate of population growth was "indefinitely greater than the power in the earth to produce subsistence for man."⁷¹⁴ Ricardo's argument of diminishing returns from agriculture provided a natural check on population growth that was a function of the economy itself.

Ricardo derived his general labor theory of value from these observations of agriculture. By the time that Marx wrote *Capital*, it had become clear that agricultural production did not in fact drive the entire system; rather, industrial manufacturing was in the driver's seat. Marx was uniquely situated, therefore, to improve upon Ricardo's

711. Ricardo, *Principles*, 70.

712. Gary F. Langer, *The Coming of Age of Political Economy, 1815-1825*, Contributions in Economics and Economic History, no. 72, (New York: Greenwood Press, 1987). 31.

713. Corn was the colloquial term for all grains.

714. T. R. Malthus and James Bonar, *First Essay on Population, 1798*, Reprints of Economic Classics, (New York: A. M. Kelley, bookseller, 1965). 13.

theory of value by evolving its basis into the socially necessary labor-time that regulates value production in factories where machines “dominate” workers.

Rather than continue to delineate the various ways in which Marx’s political economy differed from Ricardo’s regarding this or that concept, I want to turn attention to what I believe is one aspect of Marx’s thought that underscores his most important conceptual victories relative to the limitations of Ricardo’s system. If successful, it will become impossible to agree with Foucault’s neo-Ricardian characterization of Marx.

Essentially this: it is impossible to grasp the *differentia specifica* separating Ricardo and Marx without an awareness of Marx’s ample use of abstraction as an epistemic action to generate a scientifically distinct account of capitalist society. Most importantly, Marx refines the labor theory of value along the lines of a new conception of labor that neither Smith nor Ricardo considered. He distinguished between concrete labor and abstract labor. Some historians think that the import of this distinction was lost to Marx. For example, Bidet writes:

The project of homogenising economic space was clearly nothing new. It was implied in the physiocratic reproduction schemas, and above all in the reference to labour that is common to the English classics. What was radically new was the project of homogenising it in terms of ‘embodied labour’. And *the paradox is that Marx largely failed to notice this novelty*. So much so that Marxist tradition frequently assimilates the Marxian theory of value to that of Ricardo. [Emphasis added.]⁷¹⁵

Actually Marx was fully aware of his groundbreaking discovery, which was a result of abstraction. “I was the first to point out and examine critically this twofold nature

⁷¹⁵. Bidet, *Exploring Marx’s Capital*, 12-3.

of the labour contained in commodities.”⁷¹⁶ The distinction between concrete and abstract labor separated his theory from Ricardo’s, and he was well aware of this.

One of the few references that Foucault makes to Marx is in his characterization of *Das Kapital* as an “exegesis” of value. The appearance of exegesis as a genre in the nineteenth century is evidence for Foucault of how language is the primary category of all thought. Thus even Marx’s economic science is meekly folded into a consideration of how language is the dominant category of thought in the nineteenth century. Exegesis links Marx to Nietzsche and Freud, all of whom are said to be working under the sign of this particular mode of discovery. Exegesis is about

disturbing the words we speak, of denouncing the grammatical habits of our thinking, of dissipating the myths that animate our words, of rendering once more noisy and audible the element of silence that all discourse carries with it as it is spoken. The first book of *Das Kapital* is an exegesis of ‘value’; all Nietzsche is an exegesis of a few Greek words; Freud, the exegesis of all those unspoken phrases that support and at the same time undermine our apparent discourse, our fantasies, our dreams, our bodies. Philology, as the analysis of what is said in the depths of discourse, has become the modern form of criticism.⁷¹⁷

⁷¹⁶. Marx, *Capital*, I, 132. Bidet’s criticism of Marx, on pg. 15 of *Exploring Marx’s Capital* is that the category of simple labor “undergoes an uncontrolled doubling of meaning” in that it is both abstract as well as existing in the form of labor that an average person can be trained to do. But Marx did not have in mind any particular, concrete form of simple labor when he wrote in *Capital*, “This abstraction, human labour in general, *exists* in the form of average labour which, in a given society, the average person can perform. . . . It is *simple* labour which any individual can be trained to do. . . .” [cited from Bidet, 15]. Bidet conflates the notion of “exists,” which he chose to emphasize in his citation, with concrete. In fact, Bidet’s footnote 12, which reads, “Marx inserts here the footnote: ‘English economists call it ‘unskilled labour,’” even suggests that Marx had a general notion of unskilled labor in mind, not any one particular and concrete form of it. There is no doubling or slippage.

⁷¹⁷. Foucault, *OT*, 298.

We might seek to recover from this excursus that the object to which Foucault is pointing when Marx “disturbs the words we speak” is that his words and concepts are the result of a laborious process of abstraction. Regardless, it would be counter to Marx’s own purpose to analyze his texts in terms of their words alone, as if they could be separated from the social context in—and about—which he was writing them. Marx always presupposes that thought is historically determined. As such, forms of thought can be criticized as objects of analysis in their own right without an undue burden of caution regarding a slippage back into idealism.

A serious reading of *Capital* would be hard-pressed to conclude that Marx’s form of thought—much less his primary purpose—is preoccupied by a purported “enigmatic density” of language. It would be more accurate to say that this is Foucault’s preoccupation, not Marx’s, and one that Foucault anachronistically projects back into the nineteenth century. Foucault’s fetishism of language clouds a historiography proper to its object of analysis, which in this case is Marx’s political economy as well as his use of a historically distinct form of abstraction necessary to bring it into focus.

Although Foucault misses the productive power of abstraction for Marx, other economic historians do not. In *Economic Theory in Retrospect* Mark Blaug wades into the debate between Marxist economists and their skeptics who say, “Any schema can be made to work at the cost of theoretical complexity [*sic*: simplicity].”⁷¹⁸ Blaug cautions, “it is all a matter of the degree of abstraction, about which no rules can be

⁷¹⁸. Blaug, *Economic Theory in Retrospect*, 221.

laid down.”⁷¹⁹ And what rule does Blaug opt for? A seemingly arbitrary one that has nothing to do the character and quality of abstraction, though it serves his purpose well, which is to eviscerate the need for the degree abstraction that leads to a labor theory of value. In this vein Blaug calls forth Occam’s razor⁷²⁰, which states that among competing hypotheses, the one with the fewest assumptions should be selected.

An analogy from the world of theater and music may be helpful to clarify Blaug’s concern. In the stage play *Amadeus* (1979)⁷²¹ there is a memorable exchange between Emperor Joseph II and Mozart following the premier of Mozart’s opera *The Abduction from the Seraglio*:

JOSEPH: It’s very good. Of course now and then - just now and then - it gets a touch elaborate.

MOZART: What do you mean, Sire?

JOSEPH: Well, I mean occasionally it seems to have, how shall one say? (He stops in difficulty; to Orsini-Rosenberg) How shall one say, Director?

ORSINI-ROSENBERG: Too many notes, Your Majesty?

JOSEPH: Exactly. Very well put. Too many notes.

MOZART: I don’t understand. There are just as many notes, Majesty, as are required. Neither more nor less.

JOSEPH: My dear fellow, there are in fact only so many notes the ear can hear in the course of an evening. I think I’m right in saying that, aren’t I, Court Composer?

⁷¹⁹. Blaug, *Economic Theory in Retrospect*, 221.

⁷²⁰. Ibid., 222.

⁷²¹. Peter Shaffer, *Amadeus*, . 1979, <http://www.dailyscript.com/scripts/amadeus.html>.

SALIERI: Yes! yes! er, on the whole, yes, Majesty.

MOZART: (to Salieri) But this is absurd!

JOSEPH: My dear, young man, don't take it too hard. Your work is ingenious. It's quality work. And there are simply too many notes, that's all. Cut a few and it will be perfect.

MOZART: Which few did you have in mind, Majesty?

Marx has too many notes of abstraction for Blaug's ear. Of course Marx would protest that his theory entails just as many abstractions as the material requires, neither more nor less. Unfortunately Blaug does not offer any analysis of the number of assumptions, reductions, or abstracting steps he thinks Marx could have expunged. Blaug asserts his case without demonstrating it. Marx might have replied, "The analysis of these [economic] forms seems to turn upon minutiae. It does in fact deal with minutiae, but so similarly does microscopic anatomy."⁷²² Of course Blaug is no superficial observer of economic theories, yet on this occasion it seems his argument is circular in that his solution to the problem was intended to guarantee the outcome he desired.

The real problem with Blaug's choice of Occam's razor as a rule to determine the proper degree of abstraction in political economy is that it's not even an accepted rule of the scientific method. Occam's razor can be helpful as an incentive to create theories that can be more easily tested. At best it is a corollary of the principle of falsifiability.⁷²³ Indeed there are numerous competing theories about how the

722. Marx, *Capital*, I, 90.

723. "Occam's Razor," *Wikipedia, the Free Encyclopedia*, May 6, 2016.
https://en.wikipedia.org/w/index.php?title=Occam%27s_razor&oldid=718979003.

principle of parsimony should be applied to induction. One theory works counter to Blaug's banal protest by justifying Marx's use of induction away from his predecessor, Ricardo:

Scientists are often inclined to justify simplicity principles on broadly inductive grounds. According to this argument, scientists select new hypotheses based partly on criteria that have been generated inductively *from previous cases* of theory choice. Choosing *the most parsimonious of the acceptable alternative hypotheses* has tended to work in the past. Hence scientists continue to use this as a rule of thumb, and are justified in so doing on inductive grounds. [Emphasis added.]⁷²⁴

Bracketing for a moment the huge problem that we are dealing with social phenomena and not a rigidly controlled natural environment in a laboratory, one seems justified in pointing out that this is precisely what Marx was doing. In the process of critique of Ricardo's theory of value, Marx identified the weaknesses in the best "previous case,"⁷²⁵ which he no doubt believed Ricardo's system represented. Then he attempted to formulate the "most parsimonious of the acceptable alternative hypotheses" given the source material from which he had to draw. He could not develop a new or more parsimonious labor theory *ex nihilo*. Nor could he have been expected to overlook the vexing issue of a search for an invariable criterion of value in light of the fact that his predecessor had tried but failed. Meanwhile, a mode of abstraction led Marx to the conclusion that such a criterion could be identified.

724. Alan Baker, "Simplicity," *The Stanford Encyclopedia of Philosophy* (Fall 2013 Edition), Edward N. Zalta (ed.), <http://plato.stanford.edu/archives/fall2013/entries/simplicity/>.

725. This seems to have been Marx's own contention, not just mine: "Despite Certain Deficiencies the Ricardian Mode of Investigation Is a Necessary Stage in the Development of Political Economy," Marx, *TSV*, II, 164.

Elegance is a purely formal requirement. As Maurice Dobb remarked, “To sustain forecasts concerning the real world the theory must have not only form but also content. It must have not only elegance but also ‘earthiness’.”⁷²⁶ At a minimum credit can be given to Blaug for raising an important issue, which is the question of which rules should guide a form of thought that desires to be abstractive. If his concern is taken to heart it can potentially lead to the construction of more satisfying and rigorous theories.

Marx speaks to this issue on occasion but perhaps without the level of specificity that may be required in the future. For example in the postface to the second edition of *Capital, Volume I*, he avers:

My dialectical method is, in its foundations, not only different from the Hegelian, but exactly opposite to it. For Hegel, the process of thinking, which he even transforms into an independent subject, under the name of ‘the Idea’, is the creator of the real world, and the real world is only the external appearance of the idea. With me the reverse is true: the ideal is nothing but the material world reflected in the mind of man, and translated into forms of thought. [...] The mystification which the dialectic suffers in Hegel’s hands by no means prevents him from being the first to present its general forms of motion in a comprehensive and conscious manner.⁷²⁷

Marx’s key takeaway from Hegel was to learn how to think historically in a rational manner. History, by definition, is in constant motion. It became possible for Marx to regard “every historically developed form as being in a fluid state.”⁷²⁸ The rational form of the dialectic, when applied to actual, material history, negates the mechanistic materialism of the English empiricists. This is most likely how Marx was able to pull

726. Dobb, *Political Economy and Capitalism*, 5-6.

727. Marx, *Capital*, I, 102.

728. Ibid., 103.

the social analysis of the eighteenth century moral philosophers, who by and large grasped the individual's social nature but left it in the form of an automatic natural law,⁷²⁹ into history.

The specific question remains what is the conceptual hinge upon which Marx would turn his critique of mechanistic materialism towards a form of thought capable of grasping the dynamism of movement? Identifying this particular concept might provide a key insight into the condition of possibility of Marx's transference of the category of the social into the historical column. I alluded to this in chapter three: how is it the case that we have come to think habitually in terms of the 'socio-historical' when in fact the category of the social for Hume, Smith, and Ricardo was still on the 'natural law' team? In the *Theses on Feuerbach* Marx makes clear there is one element of the material world that "all hitherto existing materialism"⁷³⁰ fails to bring onto the radar of rational thought.

The thing, reality, sensuousness, is conceived only in the form of the *object or of contemplation*, but not as *sensuous human activity, practice*, not subjectively. Hence, in contradistinction to materialism, the *active* side was developed abstractly by idealism – which, of course, does not know real, sensuous activity as such.⁷³¹

This short citation can be comprehended as saying four distinct things. First, human activity or *praxis* is never considered an object of analysis within static, mechanistic materialism—how can a form of thought that can only see fixed objects bring into focus that which is by definition always moving? The second meaning reflects the

729. See chapter three above on the science of man.

730. Karl Marx, *Theses on Feuerbach*, First thesis, I, Accessed May 10, 2016. <https://www.marxists.org/archive/marx/works/1845/theses/theses.htm>.

731. Ibid.

phrase, “in contradistinction to materialism.” This actually clarifies something that Marx does not make explicit but which he implies, which is that materialism was indeed successful at thinking scientifically about those things or objects in reality that are *not* active: mechanistic materialism proved successful at describing the static world. The third meaning turns on the clause, “the *active* side was developed abstractly by idealism.” If mechanistic materialism was successful at identifying static objects, then the opposite has proven true, perhaps fortuitously, which is that idealism and metaphysics managed to bring onto its radar as objects of analysis things that are in motion. No doubt Marx has in mind Hegel’s dialectical framework for thinking about change. The fourth meaning to which I’d like to draw attention may be surprising, but it is the rarely understood difference between saying pejoratively that something is abstract versus the contention that rational abstractions in Marx’s method are true. In this case Marx is using the word in the former, pejorative manner. To say that idealism creates an object within thought abstractly is to accuse it of failing to be the product of a form of induction that begins in the concrete, material world of sensuous objects and praxis. Idealism was not able to bring into focus working class politics as the sensuous activity of a real class of beings because it thought about social groups without any thought as to how they came into existence. Whereas materialism was mechanistic because it assumed that all objects in the material world were static and fixed, thus leaving out the possibility of fundamental change, idealism was equally mechanistic in the sense that it presumed the automatic unfolding within thought of a thesis, antithesis, and synthesis, without due diligence

to empirical observation of how the sensuous activity of humans was actually proceeding.

To sum, as Marx says in thesis three, “The materialist doctrine concerning the changing of circumstances [...] forgets that circumstances are changed by men.”⁷³²

This kind of movement is incessant, and by dint of this so is the need for abstraction.

It is never fixed or settled, though I would clarify that at certain points in time the appearance within thought of certain categories may attain a level of robustness that grants them relative explanatory stability over a longer period of time depending on the degree to which the underlying, concrete social relations that they express remain stable.

The historical appearance of the categories of political economy was elucidated further in *The Poverty of Philosophy*:

Categories are as little eternal as the relations they express. They are *historical and transitory products*. There is a continual movement of growth in productive forces, of destruction in social relations, of formation in ideas; the only immutable thing is the abstraction of movement.⁷³³

This is not to say that categories for Marx are easily ephemeral. Quite the opposite.

They would only be ephemeral to the degree that the real social relations about which they speak are ephemeral. Of course no society can exist in a state of complete and utter plasticity at all times. The safer presupposition, which is my own, is that the radical plasticity of social relations is itself something that must be determined, not

⁷³². Marx, *Theses on Feuerbach*, III.

⁷³³. Karl Marx, *The Poverty of Philosophy*, Chapter 2.1, Accessed May 10, 2016, <https://www.marxists.org/archive/marx/works/1847/poverty-philosophy/ch02.htm>.

presumed nor forsaken. That this inquiry may take place at a higher level of abstraction is neither here nor there, it's only to point out the obvious point that one must define the scope of one's analysis. A final corollary: there is no degree of abstract knowledge of society that escapes the relativity of temporality that human praxis gives to it. The speed of social change is not known in advance nor is it static; the speed of social change—relative stasis or revolution being the two poles of a continuum—is a historiographical category and a question for historical research.

Thus categories that express social relations attain a degree of concrete materiality, which is to say scientificity, not because they are static and fixed as universal and ahistorical but for precisely the opposite reason: they capture and express the reality of social relations at specific points in time. Without them there would only always be undifferentiated impressions or perceptions of the lived reality of modern society. If we can speak of an economic science, it's not because the categories of economics are so highly abstracted that they escape the vicissitudes of historical contingency; rather, it's because there is a degree of stability in the structure of modern society that allows certain categories to express its truth over relatively long periods of time.

For this reason one must be careful to understand the proportional relation between what an abstract category is meant to define and the degree of historical stability of that to which it speaks. Are we in a period when the form of surplus-value creation is predominantly based on absolute surplus-value or relative surplus-value? The answer may be different for different eras within capitalist history, but the

category of wage labor is a condition of possibility of both, therefore wage labor expresses a higher degree of abstraction than either of the forms of surplus-value creation for which it is a condition of possibility.

Marx understood that a complex society would not only require but also *make possible* abstraction of the determination of categories of social life. The evolution of a labor theory of value made a great leap forward when Adam Smith threw out, Marx observed, “every limiting specification of wealth-creating activity—not only manufacturing, or commercial or agricultural labour, but one as well as the others, labour in general.”⁷³⁴ This movement within thought towards a more general and simpler category was only made possible by the proliferation of more concrete and specific forms of labor. “Where one thing appears as common to many, to all [...] it ceases to be thinkable in a particular form alone.”⁷³⁵ Importantly, however, the abstractive move—it is oftentimes thought of as a reduction—is “not merely the mental product” of a mind thinking about society. It is not a form of idealism. Rather, the abstraction “corresponds to a form of society in which individuals can with ease transfer from one labour to another.” In other words “not only the category, labour, but labour in reality has here become the means of creating”⁷³⁶ society’s wealth and the form of thought appropriate to its comprehension.

This unity of abstractive category development within thought with the form of society that makes such thought both possible and necessary became, for me, an

⁷³⁴. Marx, *Grundrisse*, 104.

⁷³⁵. Ibid.

⁷³⁶. Ibid.

historiographical principle. It is in this particular sense that I've drawn from Marx's historiography without venerating his particular claims uncritically.

Marx's intervention into the theory of materialism was driven in part by his consideration of the advent of working class politics in the early to mid-nineteenth century. To put the matter in starkest terms possible, the rise of working class resistance was the historical event that made it possible for Marx and everyone after him to think in terms of the 'socio-historical.' Jacques Bidet points out that Marx's object of theory was "at the same time 'economic', 'social' and 'political.'"⁷³⁷ This aligns well with my point that Ricardo's mechanical materialism could not anticipate or account for working class resistance. Marx sought to overcome the complete separation within thought of the political sphere from the economic sphere of social organization. He interpreted working class resistance as a form of political *praxis* that undermined the ironclad laws of capital accumulation that Ricardo imputed to political economy. This tendency by Ricardo was due to his fundamentally ahistorical approach to political economy. Pilling makes the point succinctly in *Marx's Capital*:

Philosophy and Political Economy:

Classical political economy constituted a decisive stage in the investigation of the capitalist mode of production; around 1830 this phase begins to draw to a close, a close intimately bound up, for Marx, with the appearance of a new social and political force increasingly conscious of itself, the working class. Marx did not, of course, mean to imply that in a somewhat mystical manner the modern working class 'killed' political economy. Rather he wished to stress that the methodological limitations of classical political economy increasingly paralysed it in the face of this new phenomenon.⁷³⁸

⁷³⁷. Bidet, *Exploring Marx's Capital*, 4.

⁷³⁸. Pilling, *Marx's "Capital."*

This is to say one condition of possibility of Marx's critique of mechanistic materialism was the insight that the struggle for fundamental social change is a social *praxis* that does not enter thought as an object of analysis unless the form of abstraction is able to integrate historical dynamism, which is real and concrete in the socio-material world, into the form of critical thought. In *The Poverty of Philosophy* Marx connected the dots between proletarian resistance, which was a creation of the capitalist mode itself, to the social relations of modern society that Ricardianism could not grasp: "Economists express the relations of bourgeois production [...] as fixed immutable, eternal categories.... Economists explain how production takes place in the above mentioned relations, but what they do not explain is *how these relations themselves are produced*."⁷³⁹

Another observation regarding Marx's understanding of his method can be made on the relation between whole and parts. "The complete body is easier to study than its cells. Moreover, in the analysis of economic forms neither microscopes nor chemical reagents are of assistance. The power of abstraction must replace both."⁷⁴⁰ In this characterization abstraction is something like a tool, but a tool specifically geared towards the study of society. Much like a microscope it allows one to see that which otherwise cannot be seen by the naked eye. Marx was likely referring to Comtean positivism or Lockean empiricism, both of which adopt an epistemology of sensuous influence from the material world on the mind. Marx would not disagree

⁷³⁹. Marx, *Poverty of Philosophy*, Chapter 2.1.

⁷⁴⁰. Marx, *Capital*, I, 90.

with this so long as there was an additional proviso that sensuously derived “facts” are momentary, or better yet in motion, thus a stream of facts or a shifting ground is the better presupposition from which to begin.

Perhaps an analogy to this would be Foucault’s observation that a form of thought that constructs knowledge in three-dimensional terms characterizes the modern era; that is, knowledge is no longer limited to representing a series of identities and differences on a superficial and two-dimensional table of knowledge. Modern thought continues to expand the table of knowledge bequeathed from the earlier period, but it also seeks to uncover the depth or structure that supports the table. A clear example would be the discovery that languages have rules of grammar that are always already determining the meaning of language.

A final clue into Marx’s abstractive method portrays sensitivity to the partial as opposed to the total character of thought. This is an important rejoinder to the misperception that abstraction necessarily entails an ‘ontological violence’ against difference. In this critique of abstraction the density of material existence cannot be done justice by a form of abstractive thought that by definition sifts and separates the *differentia specifica* for the purpose of conceptual genesis. It is true that abstraction economizes on the labor of thought, but there should be no illusions that anyone can rest easily on her laurels that the task of critical thought is ever complete. The insight comes in a passage on the category of ‘production in general’ in the *Grundrisse*. Bracketing for a moment the category of production that is the topic of the following citation, this passage provides several insights into the method of rational abstraction.

Production in general is an abstraction, but a rational abstraction in so far as it really brings out and fixes the common element and thus saves us repetition. Still, this *general* category, this common element sifted out by comparison, is itself segmented many times over and splits into different determinations. Some determinations belong to all epochs, others only to a few. Some determinations will be shared by the most modern epoch and the most ancient. No production will be thinkable without them; however, [...] just those things which determine their development, i.e., the elements which are not general and common, must be separated out from the determinations valid for production as such, so that in their unity [...] their essential difference is not forgotten.⁷⁴¹

To the concern that abstraction is reductive Marx replies it is only so if one fails to understand that the sifting and separating process is only valid for a specific concept. For another concept that which gets sifted and separated would be different.

These passages from Marx do not rise to the level of elucidating a complete set of principles by which Marx conducted his method of abstraction as an epistemic action. Indeed, Jacques Bidet's detailed reading of Marx's "mature" works forwards a cogent argument that each successive economic text that Marx wrote starting with the *Grundrisse* reflects changes he made to a set of evolving epistemological heuristics, along with "epistemological obstacles" that he had to overcome.⁷⁴² In this sense it would be more precise to refer to Marx's various modes of abstraction in the plural, as opposed to thinking that the philosophical basis of his economic science was uniform from one work to the next. With this possibility in mind, the sketch I've

⁷⁴¹. Marx, *Grundrisse*, 85.

⁷⁴². See chapter one, pgs. 5-10, for a summary of the argument in Bidet, *Exploring Marx's Capital*.

offered brings attention to the important role that abstraction serves towards a scientific account of political economy.

Thus it is Marx's multi-faceted use of abstraction that stands out as unique to him, not that he used abstraction per se. As I've emphasized throughout this dissertation, previous economists also practiced a form of abstraction, though different from Marx's. To use Foucault's terminology this constitutes Marx's epistemic break from Adam Smith and David Ricardo. This is why I've said on several occasions that abstraction itself has its own history grounded in the specificity of the time it was used.

To sum up, Marx is guided by the conviction that abstraction as a method of political economy is crucial. Upon it hinges the character and quality of critique. The intellectual character of "the work in question is critique of economic categories, or if you like, the system of bourgeois economy critically presented. It is a presentation of the system, and simultaneously, through this presentation, a criticism of it."⁷⁴³ For Marx, the first characteristic of a scientific critique is that the categories of thought are the critical presentation of bourgeois social life by bourgeois thought itself. Thus critique is in part "criticism of the form of consciousness in which this society expressed itself ideologically in the most adequate way."⁷⁴⁴ Critique is also in some sense an effect of the form of presentation, i.e., it becomes real "through" the presentation. It is not so much a model that can be applied mechanistically to the

743. Cited from A. Madarász, "Is Political Economy Timely?" *Acta Oeconomica*, Vol. 10, No. 2 (1973), 191.

744. Ibid., 191.

economic categories, which is how Marx believed Ricardo thought about economics. Rather, Marx “understood how to make history itself speak in conceptual terms.”⁷⁴⁵ Third, this presentation is “of the system” in its totality: ideas cannot be separated from their concrete social milieu, nor can the form or structure of ideas be separated from their knowledge-content. As Lucien Goldmann once emphasized,

A scholar always has to make efforts to find the way back to the total and concrete reality...This is why one has to...connect studying the forms of consciousness with their historical place of origin and their economic and social basis.⁷⁴⁶

Marx’s abstracting process is one essential aid in accomplishing this form of critique. There are several elements in his mode of abstraction that can be seen at work in *Theories of Surplus Value*, the *Grundrisse*, and *Capital*. For example, at each historical point economists attempt to analyze certain social phenomena without yet being able to name them as such. The concept is there—there is a there there⁷⁴⁷—though the word remains elusive. This was the case with the concept of surplus-value among the Physiocrats—they got as far as *net produit* as a gift of nature. Ricardo’s conception of the surplus was more explicit yet and reflected a higher level of abstraction, yet he took it for granted and as a consequence he failed to interrogate its basis or cause in the structure or relations of the capitalist system. Marx was able to grasp the genesis of modern economics in Petty, Boisguillebert, Quesnay, Smith, and

745. Dick Howard, “On Deforming Marx: The French Translation of *Grundrisse*,” *Science & Society*, Vol. 33, No. 3 (Summer - Fall, 1969), 360.

746. Lucien Goldmann, *Sciences humaines et philosophie*, (Paris, 1952. P.U.F.), 18.

⁷⁴⁷. This is an alteration of Gertrude Stein’s famous phrase, “anyway what was the use of my having come from Oakland it was not natural to have come from there yes write about it if I like or anything if I like but not there, there is no there there.” Gertrude Stein, *Everybody’s Autobiography*, (New York: Random house, 1937), 298.

Ricardo as a result of his awareness that these prior economists represented the best insights into the structure of the social world in which they lived. Standing on their shoulders, he claimed discovery of the difference between abstract and concrete labor.⁷⁴⁸

Also, the precise names of categories follow from and are the result of a series of partially successful yet incomplete inquiries in different times and at different places. In this sense there is a degree of continuity in the history of economic thought that runs deeper than the many (and important) breaks. Foucault's study does not grant for this.

Finally, certain empirical facts can be established before they are understood conceptually in their fullness. The science of empirically working-out some economic phenomenon is but one, initial step towards genuine conceptual comprehension. The analysis of data and empiricism is in general a means, not the end. Empirical studies, left at that, are inadequate in their own right. Baconian materialism must be complemented by a commitment to a historical understanding that social scientific theories rise and fall.

Marx's discovery of abstract labor as the invariable criterion of value

The search for a criterion of value had preoccupied economists for a long time—at least since Petty's musings about labor and the spontaneous productivity of nature when a farm animal is left to graze freely so that one might measure how fat it

748. See n. 43 above.

could get. Ricardo took up the question in a serious manner. Textual evidence clearly suggests that he thought about this issue throughout his brief but brilliant career.

There were three editions of *On the Principles of Political Economy and Taxation* during his lifetime. The first two in 1817 and 1819 did not have a section dedicated to the issue of an invariable criterion of value; the third from 1821 did.

Ricardo's initial motivation to consider an invariable criterion of value was his immediate reaction against the contradiction he saw in Smith's theory. "Sometimes [Smith] speaks of corn, at other times of labour, as a standard measure; not the quantity of labour bestowed on the production of an object, but the quantity which it can command in the market: as if these were two equivalent expression."⁷⁴⁹

Like others before him who puzzled over the paradox of value, Ricardo granted an exception for certain commodities whose value was derived strictly from their scarcity. He suggests rare works of art, wines from old vines, and scarce books as examples of this group. They are, however, clearly an exception to the rule about which he is unequivocal. Rare or unusually scarce commodities comprise a tiny fraction of the total mass of exchanged commodities.

In speaking then of commodities, of their exchangeable value, and of the laws which regulate their relative prices, we mean always such commodities only as can be increased in quantity by the exertion of human industry, and on the production of which competition operates without restraint.⁷⁵⁰

In the first and second editions of *Principles* Ricardo adopts what appears to be a ghostly conception of an invariable criterion. He has not yet identified what it

749. Ricardo, *Principles*, 14.

750. Ibid., 12.

might be, but he proceeds nonetheless as if it existed. “If we had then an invariable standard, by which we could measure the variation in other commodities, we should find that the utmost limit to which they could permanently rise [...] was proportioned to the additional quantity of labour required for their production.”⁷⁵¹ The concept of an invariable criterion was effective even though it had no real substance.

Sraffa and Dobb explain it in the following manner. What interested Ricardo was not so much identifying the actual commodity that could measure the value of all other commodities, “but rather that of finding the conditions which a commodity would have to satisfy in order to be invariable in value.”⁷⁵² We get a sense of what such a condition would have to be. Ricardo states in one of his earlier editions,

If any one commodity could be found, which now and at all times required precisely the same quantity of labour to produce it, that commodity would be of an unvarying value, and would be eminently useful as a standard by which the variations of other things might be measured. Of such a commodity we have no knowledge, and consequently are unable to fix on any standard of value. It is, however, of considerable use towards attaining a correct theory, to ascertain what the essential qualities of a standard are, that we may know the causes of the variation in the relative value of commodities...⁷⁵³

To this Marx would say that Ricardo was straining against all odds to elevate political economy to a higher level of abstraction, yet it would be in vain. Ricardo doubles down on the condition that the standard would have to require at all times and places precisely the same quantity of labor. The underlying problem is that Ricardo thought the invariable standard could be one commodity among all others; a sort of first

751. Ricardo, *Principles*, 29.

752. Sraffa and Dobb, Introduction, Ricardo, *Principles*, xl-xli.

753. Ricardo, *Principles*, n. 3, 17.

among equals. One of the successes of Marx's abstract concept of labor was his distinction between labor and labor-power. Labor-power is indeed the commodity form of labor whose price is its wage, but this is not the form of labor that provides the invariable standard of value in Marx's system. Marx faults Ricardo for failing to make this distinction.⁷⁵⁴

The third edition of *Principles* contained a more complete analysis of an invariable measure of value.⁷⁵⁵ Here too, though, he quickly admits that it is impossible to decipher one, thus holding firm to the same position in the first two editions of *Principles*. Still, it should be said that Ricardo had a rational conception of the conditions of an invariable measure. He set a very high bar. It was one he would not be able to climb over. The measure, he made clear, "should itself be subject to none of the fluctuations to which other commodities are exposed."⁷⁵⁶ Unfortunately, "of such a measure it is impossible to be possessed, because there is no commodity which is not itself exposed"⁷⁵⁷ to variations in the requirement of labor to produce.

He then turns his attention in more detail to money and gold as possible commodity standards. Gold, for instance, cannot be a perfectly invariable measure because there can be no guarantee that either the labor or fixed capital required to

754. Marx, *TSV*, II, 399.

755. See Ricardo, *Principles*, 43-7. Did Marx overlook by accident or by design section VI of the third edition? *Theories of Surplus Value* may be an unrefined work; nevertheless, Marx's specific discussion of Ricardo's labor theory of value refers to the "seven sections" of chapter one "On Value," which means he had access to the third edition of *Principles*, yet, curiously, his summary of each section trails off after section five. Section VI is the new section specifically devoted to an invariable criterion added for the first time in the third edition of *Principles*. Marx, *TSV*, II, 167.

756. Ricardo, *Principles*, 43.

757. Ibid., 43-4.

mine and mint gold would not change. If there were ever an improvement in the saving of labor in its production, the relative value of gold would necessarily fall in relation to other commodities. Other factors in the production of gold that could potentially change, thus inhibiting its use as a standard for all others, include the ratio of fixed to circulating capital, fixed capital of the same durability, and the time to bring it to market. “It would be a perfect measure of value for all things produced under the same circumstances precisely as itself, but for no others.”⁷⁵⁸

If a perfect standard cannot be found, the next best thing would be a commodity that experiences the lowest degree of disturbance in those factors that would portend the greatest change in its relative value. He is willing to consider a commodity whose fluctuations in relative value tend to be asymptotic toward zero. What conditions in the production of such a commodity would have to be met in order to minimize changes in relative value? A variation in profits, Ricardo believes, would have a small impact on a commodity’s price relative to other commodities. A change in the quantity of labor required for production, however, would entail a much larger impact on relative value. Is there a commodity that in general tends to experience stable labor requirements even if its other factors are prone to greater change? His answer is gold. If the problem of volatile changes in the quantity of labor needed to produce a commodity can be minimized, “we shall probably possess as

758. Ricardo, *Principles*, 45.

near an approximation to a standard measure of value as can be theoretically conceived.”⁷⁵⁹

Having reviewed Ricardo’s struggle to find an invariable criterion of judgment of value, the question can now be asked, what motivated Marx to search for an invariable standard of value in abstract labor? In essence what I seek to do is reconstruct his concept of labor paying particular attention to the specific steps of abstraction that he takes to reconceptualize labor beyond Ricardo’s concept. If I can shed some light on the abstractive character of Marx’s form of thought it will have been worth the effort to summarize his theory in this way without making any claim to new insights.⁷⁶⁰

It seems reasonable to delimit my analysis to a consideration of his discovery of abstract labor for three reasons. First is the fact that we are primarily interested in understanding Marx’s inquiries into an invariable criterion in order to highlight his relation to Ricardo on this same plane. Another purpose is to uncover Foucault’s misconception of the Ricardo-Marx nexus. I argue this can be accomplished

759. Ricardo, *Principles*, 45.

⁷⁶⁰. In *Exploring Marx’s Capital*, Jacques Bidet approaches Marx’s first chapter of Volume 1 in a similar fashion, in terms of “the articulation of the three ‘reductions’ that, in a sense, constitute the start of [Marx’s] presentation” (16). His analysis hinges on the charge of “a kind of return that risks a re-appearance of concrete labour” (18) in the third “reduction” of complex or skilled labor to unskilled or simple labor. But Bidet bypasses the very beginning of the paragraph in which Marx addresses this reduction: “Tailoring and weaving, although they are qualitatively different productive activities, are both a productive expenditure of human brains, muscles, nerves, hands etc., and in this sense both human labour. They are merely two different forms of the expenditure of human labour-power,” (Marx, *Capital*, 134). Marx is one step ahead of Bidet, it appears.

efficiently by way of analysis into their distinct approaches to the criterion of value.

As will be seen in the conclusion, there is a third purpose that explains why I focus on the search for a criterion and the role of abstraction in thinking more deeply about what is at stake in any search for a criterion of judgment.

Ricardo's theory of value is meant to be a theory of price, whereas Marx's "theory of value is not price at all."⁷⁶¹ Foucault fails to discuss this important difference between Ricardo and Marx. Elson states, "it is not a matter of seeking an explanation of why prices are what they are and finding it in labour, but of seeking an understanding of why labour takes the forms it does."⁷⁶² In other words Ricardo's prime object of analysis is prices; Marx's, labor. Marx is seen emphasizing this dimension of his political economy as early as his *Economic and Philosophic Manuscripts* as well as in *The German Ideology*: "As individuals express their life, so they are. What they are, therefore, coincides with their production, both with *what* they produce and with *how* they produce."⁷⁶³

Moving forward, the validity of Marx's abstracting strategy and method can be evaluated using a principle posited by Dobb regarding whether and when abstraction is merited in the formulation of a theory:

The truth of an economic principle must lie in whether, in making abstraction of certain aspects of the problem, it does so in order to focus upon features which are in fact crucial and fundamental features

761. Diane Elson, *The Value Theory of Labour*, 123.

762. Ibid.

763. Karl Marx and Friedrich Engels, *The German Ideology, Including Theses on Feuerbach*, Paperback edition, (Prometheus Books, 2011), 42.

of that slice of the real world to which the theory is intended to apply.⁷⁶⁴

The “slice of the real world in question” is no doubt the fact of exchange relations. The market exists in the form of endless exchanging. That this real world phenomenon is “crucial and fundamental” needs no further comment. This is not to say that an analysis of market exchange is *all* that matters.⁷⁶⁵ I delimit my analysis here to the act of exchange because this is a topic about which both Marx and Foucault showed keen interest, thus it is important to understand what each had to say about it. (Foucault’s analysis of exchange was covered most thoroughly in chapter two above.) What, Marx asks, is an exchange? $X \text{ of corn} = Y \text{ of iron}$ signifies

that a common element of identical magnitude exists in two different things [...] Both are therefore equal to a third thing, which is itself neither the one nor the other. Each of them, so far as it is exchange-value, must therefore be reducible to this third thing.⁷⁶⁶

What are the possible candidates for this third thing? It cannot be the natural qualities of each commodity even though such qualities ensure that each item has a utility. Utility is a necessary condition for an act of exchange, but it cannot be sufficient or determinative. This is because, by definition, in an act of exchange, “there is no difference or distinction in things of equal value.”⁷⁶⁷ This follows logically from the fact of exchange, thus the natural properties of a commodity are disqualified from

⁷⁶⁴. Dobb, *Political Economy and Capitalism*, 18.

⁷⁶⁵. Bidet hypothesizes that “Marx was mistaken in placing an exposition of the *market form* at the start of his work, in order to show that this generated, at the end of the concentration of capitals, an *organised form* available for socialist revolution,” Bidet, Preface, *Exploring Marx’s Capital*.

⁷⁶⁶. Marx, *Capital*, I, 127.

⁷⁶⁷. Ibid.

being the third thing because such properties will always, by definition, distinguish the one from the other. Put more succinctly, Marx says, “as use-values, commodities differ above all in quality, while as exchange-values they can only differ in quantity, and therefore do not contain an atom of use-value.”⁷⁶⁸ To conclude, the slice of the real world in question, exchange, is not only crucial and fundamental, it actually raises all by itself and as an imperative the need for abstraction. The very first abstractive step is to eliminate the natural qualities that make a commodity a use-value. There can be no analysis of exchange of two use-values without abstraction from use-value.

Marx’s concept of abstract labor unfolds from the starting point just covered. It involves a few more abstractive steps, however. Having dispensed with use-value, the only thing that remains is the labor that went into making the commodity. But labor in what form? The first abstractive step to eliminate utility, which was logically necessary in the analysis of exchange, implies a second, concurrent abstraction. The products of labor that remain after the first abstraction no longer have any particular “material constituents”⁷⁶⁹ because if they did they would still be use-values. If wood remained, it could still be a table; if yarn remained, it could be some fabric; if stone remained, it could still be a brick or house. Considering that one of the material constituents of every commodity is, of course, the concrete and specific form of labor that fashioned the other material constituents into a recognizable use-value, concrete labor must also be abstracted from the commodity. If the specific and concrete labor

768. Marx, *Capital*, I, 127.

769. Ibid., 128.

of the carpenter remained, the product could still be a table, etc. The point is that in order to meet the criterion laid out above that commodities as exchange-values must differ only in quantity and not quality, the particular concrete labors that are obviously necessary for the production of particular use-values must also be abstracted from the commodity. Put more succinctly, a commodity in exchange is no longer the product of the carpenter, the spinner, or the mason. “With the disappearance of the useful character of the products of labour, the useful character of the kinds of labour embodied in them also disappears; this in turn entails the disappearance of the different concrete forms of labour.”⁷⁷⁰

To abstract from all use-value including useful labor serves the purpose of isolating *in thought* the variable that may help to explain what we set out to understand, which is exchange. Recall that exchange is the equivalence of some quantity and that equivalence implies value between two things. What remains leftover after these initial acts of abstraction is some quantity that can explain exchange and that establishes their common value. Since there could be no act of exchange without labor, it follows that the definite quantity that remains and that establishes common value must be some form of labor that is not particular, concrete, useful labor. “They are merely congealed quantities of homogenous human labour.”⁷⁷¹ This is the form in which labor is accumulated in all commodities—it is what they all have in common. It is their commodity form. The real, useful commodity that

770. Marx, *Capital*, I, 128.

771. Ibid.

presents itself for exchange has value in exchange only insofar as “abstract human labour is objectified or materialized in it.”⁷⁷²

Two final steps of abstraction in Marx’s conception of labor. Abstract labor may be the magnitude of value of commodities, but this means it cannot also be the measure of that magnitude. Failing to make this distinction was one of Ricardo’s mistakes. For Marx, the magnitude of value is the quantity of abstract labor congealed in the commodity, but the measure of this magnitude is the duration of time needed to produce it. Thus labor-time is the measure of value. Ricardo had a concept of the quantity of labor as the measurement of value, but he did not develop the concept of abstract labor as the magnitude of value.

Another error that Ricardo makes according to Marx is thinking that the value of a commodity goes up the higher the quantity of labour expended upon its production. “If the quantity of labour realized in commodities, regulate their exchangeable value, every increase of the quantity of labour must augment the value of that commodity on which it is exercised, as every diminution must lower it.”⁷⁷³ This precisely is the object of Marx’s critique and what called for a higher degree of abstraction with respect to the category of labor.

Suppose that the quantity of labor expended on the production of a commodity went up due to a lazy or otherwise unskilled worker performing the job. Could it be the case that this worker’s product would have more value than that of a diligent or skilled worker? It’s an absurd outcome. This is, however, Ricardo’s basic premise. He

772. Marx, *Capital*, I, 129.

773. Ricardo, *Principles*, 13.

did not distinguish between a macro quantity of labor in the entire economy, where it's true that the total production of value goes up if there is an increase in the total quantity of labor worked for that year, versus the value of a single commodity subject to exchange norms on the market, where competition between two producers of the same commodity forces them to vie for the business of a consumer whose interest it is to pay the least possible. Value cannot be realized unless and until a commodity successfully clears the market. The act of exchange, which is a social relation, is necessary to affirm the socially necessary labour of a particular quantity of labor that went into the production of each commodity.

It's true that Ricardo has an account of the variation of the relative value of commodities.⁷⁷⁴ This is not the same thing as Marx's concept of socially necessary labor, however, because Ricardo always compares the relative magnitudes of value, that is, he only compares the relative quantity of labor contained in two different commodities. He never interrogates the specific form that any quantity of labor assumes, which is socially necessary labor.⁷⁷⁵ This is to say that Ricardo had not sufficiently abstracted in his analysis of exchange-value the underlying cause or measurement of magnitude. "What exclusively determines the magnitude of the value of any article is therefore the amount of labour socially necessary, or the labour-time socially necessary for its production."⁷⁷⁶

774. See Ricardo, *Principles*, chapter one.

775. Marx, *TSV*, II, 164.

776. Marx, *Capital*, I, 129.

Marx not only had to contend with Ricardo's ambiguous struggle over an invariable criterion, he also had to dispense with another possible candidate for criterion, this time from a Ricardian socialist perspective. John Gray's *The Social System: A Treatise on the Principle of Exchange* (1831) made the mistake, as Marx pointed out, of presupposing "that the labour-time contained in commodities is immediately social labour-time."⁷⁷⁷ The problem with Gray's socialist approach was that it ignored the basic fact that in a capitalist society commodities "are only comparable as the things they are. Commodities are the direct products of isolated independent individual kinds of labour, and through their alienation in the course of individual exchange *they must prove that they are general social labour.*" [Emphasis added.]⁷⁷⁸ The sphere of commodity production does not immediately guarantee the value of labor-time congealed in products; in order for their value to be realized commodities must successfully be exchanged—as the products of individual kinds of labor—through circulation on the market. Labor-time as a criterion of value cannot be thought of as immediately social labor-time.

The power of abstraction is not only productive of a higher level of abstraction. In certain cases it becomes the means by which a reconceptualization of simpler and already extant categories can occur. Take, for instance, the category of concrete labor.

777. Karl Marx, *A Contribution to the Critique of Political Economy*, ed. Maurice Dobb, Transl. S.W. Ryazanskaya, 2009 Printing, (New York: International Publishers, 1970), 85.

778. *Ibid.*, 84-5.

Concrete labor, which is defined by Marx as “productive activity of a definite kind,”⁷⁷⁹ is just as important in his political economy as abstract labor. Why? After all, saying so would seem to run counter to the assertion made above that the very first act of abstraction that is logically required to understand exchange is abstraction from use-value. However, looked at from another angle, the category of concrete labor allows Marx to reduce all use-values, which is to say the specific utility that is demanded by individuals, to labor. “Use-values, like coats, linen, etc., in short, the physical bodies of commodities, are the combination of two elements, the material provided by nature, and labour.”⁷⁸⁰ When we abstract out of use-values the material provided by nature, what is leftover is the concrete labor that fashioned them. Note that the concept of concrete labor is abstract and general insofar as it is applicable across the universe of all use-values. This is different from what the abstract concept explains, which is the particular and concrete form of labor that produces distinct use-values. To conclude, both the supply of commodities as well as the demand for them is a function of one kind of labor or another. The supply, or production, of commodities is reduced to, which is to say finds its basis in, abstract labor. The demand for commodities, which is the subjective desire to acquire an object of need, can be reduced to concrete labor.

This is actually quite important. It may be recalled that Smith’s criticism of Humean utilitarianism was based on the former’s skepticism towards the latter’s rationalistic slippage. Utility operated in Hume’s thought as a social first principle

779. Marx, *Capital*, I, 133.

780. Ibid.

because he thought it the *raison d'être* of justice, which was the glue that held together civil society. Marx is able to by-pass entirely the question of rationalism versus induction. The notion of a contest between Bacon and Descartes has probably always been overblown. As mentioned in chapter two of this dissertation, the word induction for Bacon did not have the restricted meaning often associated with it today. Abstraction for Bacon entailed movement “up” as well as “down” the logical chain of inquiry. At any rate, the point here is that there can be no rationalistic claim for the general applicability of utility as a basis of value because each use-value exists as a function of particular, concrete labor.⁷⁸¹

Conclusion

The foregoing analysis of Ricardo and Marx’s search for an invariable criterion of value reflects their ambition to achieve a relatively high level of formal adequacy in their respective theoretical systems. I use this observation to redound

781. This helps explain why utility theory had to go in the direction that the marginal revolution would take it in the second half of the nineteenth century. But what are the preconditions of marginal utility? In a society characterized by the mass production of commodities, a superfluity of commodities is a necessary condition in order for there to arise in that society a discernible “marginal” subjective desire for the same good. The precondition of productive superfluity is why the concept of marginal utility was historically impossible for the earliest utilitarians Davanzati and Graslin. The capitalist system had not yet undergone the transformations in its productive powers necessary to create the subjective conditions among consumers for a marginal desire for this or that commodity. As Marx showed, utility as a macro phenomenon, which is to say the mass of individual use-values, lacks a basis in their micro-level individuality because each and every one of them is a function of a specific instance of concrete labor; and yet marginal utility as a micrological and individually subjective measure of value lacks a foundation due to the prior social or macro-level conditions that are necessary to make marginal desire among individuals in society possible to begin with.

back upon Foucault's search for a criterion of judgment of modern man as the epistemic ground of all knowledge.

As a general rule the degree to which Foucault's Modern Man's self-reflection fails to achieve epistemic certainty is proportional to what appears to be an unavoidable fact that his status as both subject and object of knowledge bars one of the key principles of abstraction-as-knowledge, which is a criterion for judgment outside of and therefore independent of the question being posed. However, in terms of the formal adequacy of a theory, the hope for or impossibility of identifying a criterion of judgment with respect to the question of human as subject and object only applies to those attempts at abstraction relative to this particular question; that is, to a question that consciously chooses to place around its neck the albatross of finding a criterion that is outside of and can therefore explain the 'problem' that man realizes when he confronts himself as both subject and object.

Let us call the search for a criterion of judgment with respect to this particular philosophical question Abstraction S-O for subject-object. Let us call the search for a criterion of judgment of the value of commodities produced by labor and exchanged on the market Abstraction V. Obviously the scope of these two questions is quite different from each other. It follows by simple logic that the relevant standard for evaluating success or failure to find an answer to the particular question posed by each must be relative to the scope of the question that S-O and V are competent to address. Foucault passes judgment on V using the standard of S-O. Nineteenth

century political economy was used as conceptual grist for the linguistic mill of *The Order of Things*.

It's not my charge that Foucault's analysis of the Modern period commits a simple confusion between different levels of abstract thought. In truth, he argues that political economy brings up the question of Man's finitude and is powerless to solve it. Political economy entails, to borrow a methodological turn of phrase from Adam Smith, a 'necessary consequence' of its own order of things, but, Foucault would add, one about which it can only remain mute.

Umbrage may be taken, however, that Foucault reads this as a "failure" of Marx's political economy to diagnose, let alone offer a resolution to, what he believes is the essential problem of Modernity. Against this, one might question whether he has successfully prosecuted the case: after all, recall that the eighteenth century moral philosophers had already transitioned to the concept of the individual that Foucault problematizes as a nineteenth century phenomenon arising necessarily out of Ricardo's political economy.

To suggest that the study of political economy fails as a project or dimension of knowledge—because it is not able to pass judgment on Man's condition as subject and object—is no longer an adequate social theory of Modernity. This is because the archaeological form of thought that brought this perspective into view has failed to comprehend how "Man," for a very long time, has been relying on abstraction as an epistemic action to make sense of the lifeworld in which she finds herself. I believe

my study of the historical archive of economic texts at every turn of the analysis demonstrates as much.

Lest what I say be interpreted as meaning that there is a definite *telos* or progress in the history of abstract knowledge of the world, let it be said that the politics of historical contingency is by no means neutralized by my conclusion. There is no mechanism in the activity of critical thought by way of abstraction that guarantees anything approaching a particular end. Indeed, even forms of abstraction are historically contingent insofar as Marx argued that abstraction is merely thought acting on motion in the material world. Furthermore, the risk of bad abstractions seems always greater than rational ones.

One might say I'm merely suggesting a different way of thinking about the questions that Foucault raises. Perhaps, but thinking differently is no small feat. More importantly, if thinking differently becomes a possibility, if it becomes a question in its own right, there can be no doubt that its possibility has sprung from that which I have endeavored to do, which is an organic critique of Foucault's text.

It is imperative to return critical thought to a rational (and one might say commonsensical) footing. One element of which is a studied consideration of the concept of critical abstraction as both epistemic activity as well as a historical phenomenon in itself.

Having said this I would like to emphasize that abstraction is no panacea. It is merely a mode of thinking, hopefully but not always rationally, about the world in which we live. At the risk of making it seem like abstraction as a way of thinking

should somehow replace a form of political *praxis* that seeks fundamental social change--as if it could--I've taken the time at every step of my dissertation, which is primarily a work of intellectual history, to demonstrate how Foucault failed to give an account of the important role of abstraction throughout the history of economic thought.

It may very well be the case that Foucault is simply uninterested in economics, political economy, capitalism, Marx, etc. But this is not what he says or does. "Marxism exists in nineteenth century thought like a fish in water: that is, it is unable to breathe anywhere else." *The Order of Things* has closed the door on the possibility of a critique of capitalism that can stand on its own two feet. Of course I do not mean to suggest that economic science should be hermetically sealed off from questions unrelated to its particular subject matter. Perhaps three, four, or fifteen feet are needed! Thought is always relational, and there is nothing irrational about bringing some new term to bear upon the dynamics of a discourse such as political economy. My point is that how one constructs the relation or a hierarchy among concepts is a process attended by many difficulties, some of which may be unforeseen but some of which are intended. My conclusion is that Foucault has not successfully offered a reply—from outside of the room where economics is being discussed—to the questions that Marx and other economists have raised about the specifically economic problems of social organization.

One might be justified in thinking that *The Order of Things* appears to offer the possibility of a future society governed by an episteme different than that of Man,

but at the same time Foucault's form of thought falls prey to an 'end of history' cynicism insofar as the possibility of a truly different and concrete social dispensation is delimited to a meta-theory about the social function of language, without any consideration of the material and historical forces that bring new epistemes into existence.

The heavy lifting that linguistics is asked to do in Foucault's historiography is inadequate for a critique of the history of economic thought. He constructs the modern episteme of man as a category of thought. In what way does this reflect the social relations of modern society? It is an admittedly unfair accusation to say that an epistemological concern one might have for man as the subject and object of knowledge is like a Fury of private interest:

In the domain of political economy, free scientific inquiry does not merely meet the same enemies as in all other domains. The peculiar nature of the material it deals with summons into the fray on the opposing side the most violent, sordid and malignant passions of the human breast, the Furies of private interest.⁷⁸²

Foucault's category of "Man" is a philosophical concern that reflects the individual's private access to epistemic certainty. The discourse of political economy takes a decidedly different stance than the one Foucault suggests: the solitary Nietzschean figure that Foucault has in mind is not, in fact, the concept of the individual that matters. This is only the appearance of the problem facing all individuals under conditions of modernity. The individual who appears in thought as epistemologically autonomous and therefore stunted and riven by epistemic uncertainty is, in reality,

782. Marx, *Capital*, I, 92.

concretely embedded in a framework of capitalism's own doing of mutual interdependence. This interdependence is what is mystified. Where Foucault portrays epistemic certainty as the pathology of the individual, I say epistemic certainty is a social relation. It is social relation we are all-too-modern to forget.

The social relations of capitalism created the conditions of appearance of the individual that Foucault has in mind. This implies that the future way out of this condition—regardless of what the future holds in store for the social function of semiotics and language—will be driven by developments in concrete social relations as well. If what I have said here is true, then it follows that a form of liberatory political *praxis* that continues to challenge the social relations of economic production will remain crucial in the overall strategy and set of tactics for bringing about a new social dispensation. To this future *The Order of Things* can only opaquely refer.

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