

# Introduction

## 1. Economic statecraft

This book explores the accounts of commerce and finance developed by seventeenth- and eighteenth-century historians of England. Writers of the period, I argue, were engaged in a series of long-running and politically charged debates concerning a range of economic issues: the impact of popular and arbitrary forms of government on trade; the political and economic consequences of taxation; the development and value of England's trading companies and commercial empire; the relationship between war and commerce; and, more generally, the meaning of national prosperity and its significance for England's security, greatness and happiness. In discussing such questions, historians sought to present kings and queens as managers of the nation's monetary and trading interests, and economic issues themselves as aspects of statecraft. As a consequence, commerce and finance came to be considered alongside political and military affairs as matters in which monarchs could demonstrate their skill, virtue and even heroism. This historiographical approach, which I label 'the economic statecraft tradition', shaped the ways in which seventeenth- and eighteenth-century society conceived of politics, wealth and the meaning and function of the past, and helped to generate an important, but largely unexplored, variety of economic history.

Three characteristics of this mode of writing should be emphasised. First, its conceptions of commerce and finance were, in a sense, political. Writers did not view the economy as an autonomous or semi-autonomous system shaped by the forces of supply and demand. Instead, commercial and financial material was presented as a series of actions performed by government – primarily the instigation of

laws, commercial regulations and taxes – which either helped or hindered England's interests. Economic statecraft's key concern, therefore, was with what can best be described as the history of economic policy. Second, and largely as a consequence of this, none of the writers who discussed economic statecraft conceived of it as an independent field of study. Rather, the achievements of particular statesmen in commerce and finance were shown to be connected to their political, religious and military roles. This meant that economic statecraft formed part of a wider study of statesmanship, and understanding it involves tracing its shifting relationship with other aspects of this subject. Third, the accounts developed by historians were premised on the idea that the past provided a series of good and bad examples of economic management. England's greatest monarchs, it was argued, through their skills in this area, had brought wealth, power and happiness to the nation. Its less successful rulers had allowed nationally beneficial forms of trade to decline and introduced morally and financially corrosive types of luxury. Consequently, their actions had weakened England in relation to its international rivals and had inaugurated periods of poverty and misery. Studying these examples was valuable as they could provide practical lessons for modern statesmen. Economic statecraft was, as a consequence, a self-consciously didactic form of writing.

The narrative that follows examines the emergence of economic statecraft in Jacobean historical writing (Chapters 1–3), charts its development through the seventeenth and eighteenth centuries (Chapters 4–7) and explores the circumstances that led to its ultimate demise (Chapters 8–9). In doing so, it considers the work of a broad range of the period's narrative historians, among them Francis Bacon, William Camden, Thomas Carte, William Guthrie, Edmund Howes, David Hume, Paul de Rapin de Thoyras and Thomas Salmon.<sup>1</sup> Such an account will provide, I believe, a useful addition to our knowledge of English historical writing. Recent scholarship has done much to emphasise the complex ways in which the term 'history' was understood in the seventeenth and eighteenth centuries, and in the process has uncovered a series of previously ignored, but important, historical genres.<sup>2</sup> The result of this is that we now know much more than we did twenty years ago about the historical content of modes of writing such as secret history,<sup>3</sup> satire and panegyric,<sup>4</sup> memoir,<sup>5</sup> biography,<sup>6</sup> and the history of women.<sup>7</sup> However, with the notable exception of

the work of David Hume, the multi-volume narrative histories of England that constituted the period's most popular and prestigious historical form have been neglected.<sup>8</sup> And even those critical works that do deal with the narrative tradition have generally used it as a point of comparison to illuminate wider literary and historiographical trends. Thus, a number of accounts have contrasted the conventional approach to the past employed in historical writing with the radical innovations that were taking place in the early novel.<sup>9</sup> Others, meanwhile, despite providing useful discussions of the national histories of Rapin, Salmon and Guthrie, have seen the primary significance of such works as lying in their partial anticipation of the more substantial achievements of Hume, Edward Gibbon and the Scottish stadial historians.<sup>10</sup>

In contrast to such approaches, this analysis treats historical writing about England as a subject worthy of attention in its own right and aims to show that the writers of the period developed a sophisticated form of politico-economic history. Two clarifications need to be added to such a claim. First, I am not arguing that the works under consideration were 'doing' economic history in the modern sense of the term. There is, of course, a huge methodological gap between the approaches taken by William Camden and David Hume, and those of, say, J. H. Clapham, Phyllis Deane and W. A. Cole.<sup>11</sup> Equally, however, there are some connections. A particularly useful definition of the discipline is that developed by the late Donald Coleman. For Coleman, economic history, in its current form, is that which 'asks economic questions – be they about the demand and supply of goods and services, about costs of production, levels of income, the distribution of wealth, the volume and direction of investment, or the structure of overseas trade'.<sup>12</sup> As a result, 'it inevitably deals with large numbers, with aggregates' and 'has to contend with the task of identifying and measuring forces normally outside the conscious control of single, individual actors'.<sup>13</sup> I want to show that a number of these 'economic' questions, while not perennial, have substantial histories of their own, and have been answered using the conceptual vocabulary of neoclassical narrative history, as well as the 'modern' terminology of aggregates and forces.

Second, while the organisation of this account is broadly chronological, it does not treat the texts it discusses as a series of incremental steps through which historians gradually acquired the techniques of

modern economic history. To do so would be to assume that the significance of a piece of historical writing lies in its contribution to a narrative of progress of which the historian who wrote it could have no knowledge. Rather, my approach is to locate the works in the specific contexts from which they emerged and to which they directly responded.<sup>14</sup> Narrative histories require a particular sort of treatment from the contextualising intellectual historian. This mode of writing was constructed through analysing, paraphrasing and transcribing archival sources and, more frequently, other works of narrative history. As a consequence, it corresponds closely to Roland Barthes' definition of a literary text as a 'multidimensional space in which a variety of writings, none of them original, blend and clash'.<sup>15</sup> Understanding such texts involves establishing the specific writings that historians chose to blend, and, in a sense, reconstructing in literary terms the real-life desks and libraries of specific authors. In addition to this, however, the choice of sources that historians made, and the way in which they organised their material, played a part in an ongoing series of discussions concerning the nature and function of history. There was a general consensus that history constituted 'a narrative of worthy deeds, polite and dignified, written to instruct the political elite with moral and political lessons'.<sup>16</sup> Nevertheless, both the nature of 'worthy deeds' and the moral and political lessons which history should provide remained vexed and politically charged issues. And in discussing such matters, writers frequently found themselves responding not just to other historians, but to a variety of works of political polemic and political economy.<sup>17</sup> As a result, to identify the contribution being made by a specific work of narrative history, we need to understand its relationship with its sources, and its interactions with contemporary historiography, broadly defined.<sup>18</sup>

## 2. Public and private realms

This book also contributes to wider discussions concerning historical and economic culture in the seventeenth and eighteenth centuries by developing a critique of what might be labelled neo-Aristotelian analyses of commercial modernity. Such ideas received their classic exposition in Hannah Arendt's work of 1958, *Vita Activa*.<sup>19</sup> For Arendt, ancient political thought rested on a 'self-evident and axiomatic' distinction between the private realm of the *oikos* or household

and the public realm of the *polis*.<sup>20</sup> Drawing principally on Aristotle's *Politics*, Arendt went on to define the *oikos* as the association in which a householder ruled over his wife, children and slaves, noting that its distinctive trait 'was that in it men lived together because they were driven by their wants and needs'.<sup>21</sup> The *polis*, by contrast, was the community of householders who, through the rotation of offices, ruled and were ruled by one another as equals. It was created for the sake of the good life, a mode of living equated with political action and freedom from necessity. Such a division, Arendt argued, meant that according to ancient thought, 'the very term "political economy" would have been a contradiction in terms: whatever was "economic", related to the life of the individual and the survival of the species, was a non-political, household affair by definition'.<sup>22</sup> The key condition for political economy's emergence was the development in the eighteenth century of 'society'. This concept served to blur the 'public' and 'private' spheres and enabled peoples and political communities to be conceived 'in the image of a family whose everyday affairs have to be taken care of by a gigantic, nation-wide administration of house-keeping'.<sup>23</sup>

Arendt's thesis has been highly influential. In *The Machiavellian Moment* (1975), for example, J. G. A. Pocock drew on the language and conceptual framework of *Vita Activa* to examine how the Aristotelian ideal of the *polis* and its conception of civic participation shaped political ideas first in Renaissance Italy and later in the Anglophone world of the seventeenth and eighteenth centuries.<sup>24</sup> Through doing so, he endorsed the general chronology of Arendt's account and assumed, as Arendt had done, that Aristotelian virtue constituted a barrier to the emergence of modes of thought capable of justifying commercial and financial activities. Thus, for Pocock,

Augustan political economics mark the moment when the trader – and, still more pressingly the financier – was challenged to prove that he could display civic virtue in the sense that the landed man could. It was easy to visualise the latter, anxious only to improve his estate for inheritance, engaging in civic actions which related his private to the public good; much harder to ascribe this role to one constantly engaged in increasing his wealth by exchanging quantities of fictitious tokens.<sup>25</sup>

Such ideas have gone on to play a major role in the history of political thought, and much of the best work by Pocock and others associated

with the Cambridge School has been concerned with the difficulties that eighteenth-century writers faced in reconciling modern ideas of wealth with classical notions of virtue.<sup>26</sup>

Neo-Aristotelian ideas about the nature and value of the public realm have also shaped discussions of historical writing, most notably in the important work of Phillip Hicks and Mark Salber Phillips. Hicks's *Neoclassical History and English Culture* (1996) focused on the problems faced by narrative historians of England in the seventeenth and eighteenth centuries. Readers and writers of the period, he shows, continued to conceive of the genre in classical terms as 'a continuous, truthful story about important, public events'.<sup>27</sup> Its primary subject was 'war and politics' and its function 'was to instruct political society'.<sup>28</sup> However, despite numerous attempts, England's historians struggled to use these conventions to provide an adequate account of the nation's past. Part of the problem was modernity. Writers faced the challenge of using a 2,000-year-old classical idiom to describe a series of phenomena that had no classical precedents, among them 'the mariner's compass, modern commerce, Christianity, gunpowder, the printing press, political parties, a middle rank of citizens [and] modern antiquarian scholarship'.<sup>29</sup> Moreover, aspects of the modern world were fundamentally antithetical to ancient historiographical practice; for classical historians, issues relating to trade, manners and art were 'unworthy subjects in their own right cut off from politics'.<sup>30</sup> Most historians had come to grief in the face of such difficulties. And, Hicks argues, it was not until Hume was able to synthesise a public, political narrative with new forms of literary, artistic and economic analysis in his *History of England* that the nation was provided with a successful, large-scale narrative account of its past.<sup>31</sup>

A similar conception of early modern history's public orientation underpins Phillips's *Society and Sentiment* (2000). For Phillips, classical historiography, and its early modern revival, were 'predicated on a sharply drawn separation between public and private concerns'.<sup>32</sup> The focus of history was on public affairs and, as such, it restricted its attention to matters of 'statecraft and military manoeuvre'.<sup>33</sup> This ensured that commerce, which in the wake of Arendt's work we see 'as a principal agent in blurring the division between private and public', was ignored; it 'had no place in historical narrative because it had no legitimate place in the pursuit of the *vita activa*'.<sup>34</sup>

Phillips's main interest, however, is not (as Hicks's had been) in the durability of these models, but rather in the forms of writing that came to challenge them. From the mid-eighteenth century onwards, he demonstrates, pressure began to be placed on classical forms of historical discourse as Britain came to conceive of itself as a trading nation, whose status, identity and survival were dependent on financial factors. This situation contributed to both the development of a variety of philosophical history that emphasised the role that social and economic factors played in producing historical change, and the emergence of a series of more specialised types of historical writing.<sup>35</sup> While they incorporated elements of classical historiography, these innovative forms expanded the field of historical endeavour to include detailed analysis of trade, finance and commerce, and their interactions with politics and a range of other 'new' subjects such as navigation, customs and manners, and the arts and sciences. Trade, therefore, while it did not stand alone, functioned as 'the most visible sign of history's new direction'.<sup>36</sup>

This study builds on Hicks's and Phillips's accounts and provides a broad endorsement of both the former's emphasis on the continued importance of classical models and their shared characterisation of neoclassical history as, in Phillips's words, 'the story of the public actions of public men'.<sup>37</sup> In doing so, however, the book aims to show that rather than being a barrier to an engagement with economic affairs, the genre's public, political focus was highly conducive to a particular form of economic commentary. From the late sixteenth century onwards a growing awareness emerged of the link between a state's economic strengths and its capacity to wage war effectively.<sup>38</sup> Such ideas helped to ensure that commentary on the standard themes of classical history – war and politics – increasingly involved analysis of a nation's commercial and financial interests and that the management of these issues was viewed as a public, political issue. To an extent, an examination of these matters reveals a narrative that is the inverse of Arendt's. It is Bacon and Camden who come closest to representing the state as a nation-wide administration of housekeeping. By the eighteenth century, commerce was beginning to be conceived of as separate from the public political sphere, and as an activity with its own laws, its own literature and its own history. This separation, however, was never total. Much seventeenth- and eighteenth-century historical writing takes the form of a series of

competing analyses concerning the relationship that existed, and should have existed, between government and commerce at various moments in England's history.

### 3. Mercantilism and economic policy

The economic statecraft tradition is also of significance for a series of debates in the field of economic theory. Key to Adam Smith's analysis in the *Wealth of Nations* was a coruscating critique of the mercantilist policies that had shaped, and continued to shape, England's approach to commerce.<sup>39</sup> In part the errors made were the product of an intellectual mistake. There was a tendency, Smith argued, to see the amassing of money and the establishment of a positive balance of trade as the best ways of producing national affluence. This, in turn, led writers and politicians to assume that the object of political economy was 'to diminish as much as possible the importation of foreign goods for home-consumption, and to increase as much as possible the exportation of the produce of domestick industry'.<sup>40</sup> Such a policy was, for Smith, fundamentally misguided. The majority of a nation's wealth lay not in overseas trade but in its 'lands, houses, and consumable goods of all different kinds'.<sup>41</sup> Controlling the nation's money supply was not just unnecessary – the forces of supply and demand would naturally secure the required amount – but also a potentially retrograde measure. Indeed, the various monopolies, drawbacks, tariffs and bounties instigated by states had, Smith sought to demonstrate, raised prices and slowed economic growth. Their perpetuation, meanwhile, was a deliberate attempt on the part of the mercantile interest to enrich itself at the expense of consumers.

Smith's critique did much to damage the credibility of mercantilist political economy, and it has never quite shaken off its post-*Wealth of Nations* reputation as an intellectual fallacy, rooted in self-interest. His ideas have also helped to shape attitudes towards the history of statecraft. As had been the case with Smith's own work, the classical, neoclassical and Marxist writers who built on the foundations he established tended to present their analyses as critiques of existing economic practice. From such a perspective, the history of economic policy, particularly in its seventeenth- and eighteenth-century forms, was a sorry tale of ineptitude. The influence of statesmen had generally been pernicious to the nations they ruled over and, where



their actions had brought benefits, these had been unintended and unforeseen. As a consequence, there was little reason to turn to the past for inspiration when intellectual models of ever-increasing philosophical and mathematical sophistication could identify the failures of previous generations and prescribe better solutions for the future.

These ideas, while retaining their influence, have not gone entirely unchallenged. Central to a series of critiques of 'orthodox' or 'mainstream' economics has been an attack on the discipline's relationship with reality. Joseph Schumpeter, for example, claimed that economics suffered from the 'Ricardian Vice' of basing practical policy prescriptions on *a priori* assumptions that lacked any empirical basis.<sup>42</sup> Similarly, John Maynard Keynes noted that economists had become increasingly 'unmoved by the lack of correspondence between the results of their theory and the facts of observation; a discrepancy which the ordinary man has not failed to observe'.<sup>43</sup> For Robert Skidelsky, meanwhile, economics has cut itself off from 'the common understanding of how things work, or should work'.<sup>44</sup> Such claims have often run alongside an interest in pre-Smithian economics of a mercantilist bent. Schumpeter argued that mercantilism's faults were in a sense the opposite of those of orthodox modern economics; it was so rooted in the everyday that its practitioners were incapable of theorising.<sup>45</sup> Keynes, while acknowledging the mercantilists' practical leanings, was a good deal more sympathetic. Indeed, the latter sections of his *General Theory* contain a wide-ranging account of mercantilism, which defends the 'older theory' endorsed by 'the majority of statesmen and practical men' against the criticisms made of it by modern, free trade 'theorists'.<sup>46</sup> A similar division is at the heart of recent work by the Norwegian economist Erik S. Reinert.<sup>47</sup> Reinert distinguishes between two broad approaches to economic theory. On the one hand, there is the 'standard' Smith-influenced canon of economics, which relies upon abstract mathematical models, and assumes as an ideal a 'self-regulating system seeking equilibrium and harmony'.<sup>48</sup> On the other hand, however, there exists a counter-tradition. This 'other canon' draws inspiration from the mercantilists, the German historical school, and the work of writers such as Keynes, Schumpeter and Thorstein Veblen. Its ideas are derived from a series of historically informed examples and it assumes that economic stability is a product of the specific measures followed by individual governments. While Reinert acknowledges that both canons have a role

to play in modern debates, his key point is that the latter approach has come to be neglected in favour of the former. As a consequence, economics has lost touch with reality and rich countries have come to advocate a series of economic panaceas to the developing world that are at odds with the actual policies through which they achieved their own affluence. These issues have also, Reinert argues, exerted an influence on the organisation of academic disciplines. As he notes: 'unlike the history of economic thought (what theorists said ought to happen), the history of economic policy (what policies were actually followed) is a non-existent academic discipline'.<sup>49</sup>

Reinert has made the first steps towards rectifying this situation through establishing the 'Other Canon Foundation', a network of heterodox economists and economic historians concerned with issues of economic development.<sup>50</sup> Key to the work of this group is an attempt to trace the types of economic policies that rich countries employed as they 'went from poverty to wealth'.<sup>51</sup> Such information, it is assumed, can then play a key role in helping modern-day poor nations generate strategies to improve their current living conditions. The account that follows is sympathetic to Reinert's project and aims to contribute to it by providing a study of the ways in which historians of the mercantilist era dealt with economic policy. In doing so, my objective is to show that while the history of economic policy may be extinct as an academic discipline, it is a mode of writing with a substantial, if largely ignored, pedigree. A knowledge of this pedigree, I contend, is useful for three specific reasons. First, an attempt to instigate an investigation of economic policy without an understanding of the history of this approach risks the very historical impoverishment that proponents of the 'other canon' have levelled at mainstream economics. This account aims to counter such dangers by providing a discussion of an important tradition in the study of economic policy. Second, there is a tendency in scholarly work on the 'other canon' to present mercantilist-era writers as having a shared, experienced-based method, and as being in broad agreement with one another on the lessons that experience taught. Such assumptions are highly problematic. As the work of Carl Wennerlind and Steve Pincus has shown, particularly from the 1640s onwards, analyses of commerce and finance were tied up with and shaped by wider party political debates.<sup>52</sup> This ensured that mercantilism was not so much an agreed economic theory or methodology, but rather a series of

often fraught disputes between Royalist and Parliamentary and, later, Whig and Tory polemicists. This book expands upon the work of Wennerlind and Pincus by showing that, running alongside the debates in 'economic' writing that they identify, there existed a parallel (if generally distinctive) series of discussions among seventeenth- and eighteenth-century historians. My aim is to reconstruct these debates and, by doing so, to provide further evidence about the ways in which political and polemical concerns shaped approaches to economic policy. Third, as Chapter 8 and, more pointedly, the discussion of David Hume in Chapter 9 show, over the course of the eighteenth century Enlightenment ideas concerning progress came to undermine the humanist conceptions that had previously structured historical writing about commerce and finance. One casualty of this process was the notion that examples drawn from economic history could provide a useful model of emulation for contemporary statesmen. As a consequence, the rise and fall of economic statecraft is also a key element in the wider story of the triumph of modern, more ahistorical analyses over an older, historically informed approach to statecraft.

#### 4. Terminology and chapter outline

The terms that feature most frequently in this study are 'commerce', 'trade' and 'finance'. I treat 'commerce' and 'trade' as synonyms, as my sources do, and alternate between them for stylistic purposes. The historians discussed had very little interest in the domestic market, and, consequently, the 'commerce' and 'trade' they discussed were generally international in character. 'Finance' is used, as it was from the latter part of the eighteenth century onwards, to refer to the various ways in which states raised money and regulated its supply.<sup>53</sup> Key aspects of the former subject include taxes, duties on goods and government borrowing. Analysis of the latter leads me to discussions of usury, interest rates and the quality and quantity of coinage. The adjective 'economic' is used as a shorthand for matters relating to both commerce and finance. As a result, 'economic statecraft' refers to both the commercial *and* the financial practices of a particular monarch. As will be made clear, the relationship between commerce and finance could be conceived of in a wide variety of different ways; the term 'economic statecraft' is not, therefore, meant to imply the

existence of a particular causal connection between commercial and financial policies.<sup>54</sup>

My focus in the chapters that follow is primarily on 'modern history', specifically debates concerning the reigns of Henry VII, Elizabeth I and James I.<sup>55</sup> Discussion of periods before, between and after the lives of these monarchs is included when required to illustrate the broader historical import of a particular work. The decision to concentrate on these monarchs was determined by the material; put simply, accounts of their reigns contain the most detailed and interesting discussions of commercial and financial affairs. This concern with economic issues was, in part, a product of contemporary attitudes to the history of English trade. Particularly from the mid-seventeenth century onwards, historians came to see the reign of Henry VII as inaugurating a new commercial age, the major events of which had taken place during the lives of Elizabeth and James. An account of these monarchs, therefore, allows for some detailed engagement with debates surrounding England's emergence as a commercial power.

The book is divided into three chronologically ordered parts. Part I looks at the emergence of the economic statecraft tradition through considering three highly influential works: Francis Bacon's *History of the Reign of King Henry VII* (1622), William Camden's *Annales* (1615, 1625) and the account of James I developed by the chronicler Edmund Howes in his edition of John Stow's *Annales, or General Chronicle of England* (1615, 1631). Each of these narratives provided an analysis of the role that particular monarchs played in managing the nation's commercial and financial interests, and assumed that achievements in economic statecraft had been central to the successes of the reign. Despite this, they offered contrasting accounts of what constituted good government. Bacon employed a realist, Tacitean mode of analysis to explore the public benefits that could be generated by amoral, or even immoral, financial management. Camden, in contrast, treated successful economic statecraft as a product of a ruler's willingness to subordinate his or her own private interests to those of the nation. As a consequence, he was able to show how the sort of ideas about exemplary virtue and honour that had underpinned Livy's *History*, and much Renaissance historiography, could be applied to modern commercial affairs. Howes, meanwhile, used the chronicle form to investigate the contribution to commercial affairs not just

of England's monarchs, but also of its people. Through doing so he was able to advance a highly original account which emphasised the transformative role of recent innovations in trade and manufacture, and traced the origin of these developments to England's successful imitation of European practices. As the rest of this book shows, it was through borrowing from, expanding on and critiquing the ideas of Bacon, Camden and Howes that many later historians developed their own accounts of economic policy.

Part II traces the impact of the Civil War on ideas of economic statecraft. In the wake of the conflict, I argue, discussion of economic history was increasingly shaped by polemical, political concerns. As part of this process, two rival accounts of the state's economic management emerged, each based on an interpretation of the reign of James I. For Parliamentary writers and their Whiggish successors, James's political absolutism and personal extravagance made him a calamitous administrator of England's commercial and financial interests. The result was a period of misery and poverty, which was in sharp contrast to the contentment and wealth experienced under Elizabeth. Royalist and Tory writers responded by arguing that James had followed the precedents of Elizabeth with regard to taxation and, through the wise use of monarchical prerogative, had surpassed her achievements in relation to commerce. The opposition he experienced, meanwhile, arose from a pernicious Puritan faction intent on advancing their own selfish interests and undermining the constitution. Chapter 4 explores the development of these modes of analysis in the second part of the seventeenth century through a discussion of accounts concerning James I by Anthony Weldon, Arthur Wilson, William Sanderson and Roger Coke. Chapters 5, 6 and 7 examine how the political divisions of the seventeenth century came to shape eighteenth-century accounts of economic statecraft. My aim here has been to provide analysis of a broad cross-section of political views, and alongside detailed accounts of histories by a Whig (Rapin), a Tory (Salmon) and a Jacobite (Carte), the discussion contains briefer accounts of Patriot and Court Whig writing.

Part III focuses on William Guthrie's *General History of England* (1744–51) and David Hume's *History of England* (1754–61). Political ideas about history also provided the framework through which these works were both constructed and read. What distinguished them from their predecessors, however, was a belief that advancements

in commerce formed part of a wider and distinctively modern set of socio-cultural changes. The key to recent European history, it was argued, lay in a series of shifts in property ownership which had caused wealth, and with it power, to pass from the feudal barons to the commercial classes. These advances had led to the birth of the commercial age and transformed the political, legal, social and cultural landscape of the continent. As a consequence, narrative histories of England came to conceive of individual incidents in England's commercial past not simply as examples of monarchical achievement or failure. Rather, their significance lay in the contribution they had made – or failed to make – to national economic development and the social transfigurations it had inspired. Part of a historian's job was still to outline the policies that statesmen pursued with regard to taxation, and overseas and domestic trade. Indeed, the defining role that commercial affairs played in understandings of modernity meant that such a task was more important than ever. However, there was an awareness that, as well as shaping the economic sphere, the actions of statesmen were themselves shaped by their economic and intellectual environments. Tracing a nation's history, therefore, involved looking at the complex relationship between particular actions on the part of statesmen and their wider social context. My account examines the origins of this approach and its impact on the political, economic and narratological strategies that underpinned ideas of economic statecraft.