

Introduction : from republicanism to welfare liberalism

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Introduction: From Republicanism to Welfare Liberalism*

Béla Kapossy

Résumé

Dans cette introduction, nous souhaitons présenter quelques pistes utiles à la reconstruction du rôle joué par la Suisse dans l'histoire de la pensée économique. Comme le notait l'économiste suisse August Oncken il y a plus d'un siècle, il n'est pas absolument certain qu'elle ait joué un quelconque rôle. En reprenant quelques questions remettant en cause certaines des catégories historiographiques utilisées soit dans les récits rétrospectifs de la pensée économique soit dans les histoires de l'humanisme civique ou de la théorie républicaine, l'objectif est ici de présenter un rapide survol des éléments du débat sur la nature et l'avenir du républicanisme suisse. En nous centrant principalement sur la seconde partie du XVIII^e siècle, il s'agit de reconstruire les différentes articulations entre politique et économie qui (elles le prétendent) sont le mieux adaptées à définir la place du républicanisme suisse dans le système international moderne.

Zusammenfassung

Diese Einleitung will einige nützliche Perspektiven zur allgemeinen Frage entwickeln, welche Rolle die Schweiz in der Geschichte des wirtschaftlichen Denkens gespielt hat. Wie der Schweizer Ökonom August Oncken vor über einem Jahrhundert bemerkt hat, steht freilich nicht fest, dass sie überhaupt eine Rolle gespielt hat. Über die kritische Auseinandersetzung mit den historiographischen Kategorien, die von rückblickenden Darstellungen des ökonomischen Denkens, des Bürgertums oder der repu-

* I am grateful to Bertrand Müller who suggested that I edit this special issue on the intellectual history of Swiss political economy and particularly to Michael Sonenscher for his generous help in refining this article.

blikanischen Theorie gebraucht wurden, trägt der Vf. die Elemente der Debatte über Natur und Zukunft des schweizerischen Republikanismus zusammen. Fokussiert auf die zweite Hälfte des 18. Jahrhunderts werden die verschiedenen Artikulationen des Politischen und Ökonomischen erfasst, welche für sich in Anspruch nehmen, die Position des schweizerischen Republikanismus im modernen internationalen System am besten zu definieren.

1. Was there a Swiss 'School' of Political Economy?

No historian denies the central role of French, English, Scottish, German, Austrian and Italian thinkers in the formation and development of political economy. But the contribution made by Swiss thinkers is far less easy to evaluate and there is a curious silence in much of the literature when it comes to finding out what this might have been. Most standard French, German and American twentieth-century textbooks on the history of economic theory make little or no mention of Switzerland. J. K. Ingram's *A History of Political Economy*, for example, includes sections on Italy, Holland, America, and Spain but none on Switzerland. Nor does Charles Gide and Charles Rist's *A History of Economic Doctrines* (1909). Nor is there anything to be found in Joseph Schumpeter's otherwise exhaustive *History of Economic Analysis* (1954), nor in any of the more recent reference books like Mark Blaug's *Economic Theory in Retrospect*, Henry W. Spiegel's *The Growth of Economic Thought* (1971) or Karl Pribram's *A History of Economic Reasoning* (1983).

There are of course numerous studies, both by Swiss and foreign intellectual historians, of particular Swiss writers like Jean-Charles-Léonard Sismonde de Sismondi, Antoine-Elisée Cherbuliez and Pelegrino Rossi, or of foreign thinkers who spent most of their productive life in Swiss academies and universities, notably Walras and Pareto. There are also a number of studies of the institutionalisation of political economy as an academic discipline (especially at the Universities of Lausanne, Geneva and Berne) and quite a lot of related information can be gathered from detailed institutional histories of Swiss Universities¹. A substantial

¹ Information relating to the teaching of political economy at the academy, and later the University of Lausanne, can be gathered from Giovanni Ferretti: *Melegari à l'Académie de Lausanne, suivi de documents sur son enseignement*, Lausanne 1949; Giovanni Busino and Pascal Bridel: *L'Ecole de Lausanne de Léon Walras à Pasquale Boninsegni*, Etudes et Documents pour servir l'histoire de l'Université de Lausanne, XXIII, Lausanne 1987. For Geneva, see the collection of essays by William E. Rappard: *Economistes genevois du XIX^e siècle*, Geneva 1966; recent studies on Rossi include: *Des libertés et des peines: actes du colloque Pellegrino Rossi, organisé par le Département d'histoire du droit et des doctrines juridiques et politiques de l'Université de Genève* (1979), Geneva 1980. For the latest assessment of Pareto's conti-

amount has also been written about the reception of foreign economic thinking and the various (eighteenth- and nineteenth-century) institutions, literary societies and editorial enterprises which helped to disseminate European economic debates within Switzerland². Yet there does not seem to be any comprehensive study of Swiss economic theory *per se* or anything comparable to other European national historiographies³.

How are we to explain this curious absence of Swiss thinkers from the historiography of European economic discourse? The standard explanation has been to put the blame on the poor performance of Swiss economists. If they have been overlooked by historians of economics it is simply because there was nothing noticeable in their work or at least nothing which contributed substantially to a fuller and more subtle picture of past economic debates. The reason why there is no intellectual history of Swiss political economy is because there is nothing to write about in the first place.

The noticeable absence of Swiss economic thinkers, both individually and as a group, from nineteenth- and twentieth-century economic theory had already been noticed over a century ago by the German-born professor of political economy (at Berne) August Oncken in an article on 'Political Economy in Switzerland' published in *The Economic Journal* in March 1895⁴. Writing in his capacity as the Swiss correspondent of

nuing relevance for contemporary economics and social sciences see Alban Bouvier (ed.): *Pareto aujourd'hui*, Paris 1999. For the teaching of political economy at the academy of Berne see especially, Ernst Kipfer: *Zur Geschichte des volkswirtschaftlichen Unterrichts an den Hohen Schulen in Bern*, Diss., Berne 1949.

2 There is very little on how seventeenth-century Swiss thinkers read and thought about the new Dutch, English, and French political economic literature. Some very basic comments can be found in Martin Körner's short article, "Que savaient les Lucernois du XVI^e au XVIII^e siècle des théories financières?" in Liliane Mottu-Weber, Dominique Zumkeller (eds.): *Mélanges d'histoire économique offerts au Professeur Anne-Marie Piuze*, Geneva 1989, p. 164–170. A more promising route has been Thomas Maissen's investigation into the reception of Dutch political debates within the leading intellectual and political circles of late seventeenth- and early eighteenth-century Protestant Switzerland, "Petrus Valkeniers republikanische Sendung. Die niederländische Prägung des neuzeitlichen schweizerischen Staatsverständnisses", *SZG*, vol. 48, 1998, No. 2.

3 Recent studies that discuss the history of political economy in national context include Jean-Claude Perrot: *Une histoire intellectuelle de l'économie politique*, Paris 1992; Gilbert Faccarello (ed.): *Studies in the history of French political economy: from Bodin to Walras*, London 1998; Donald Winch: *Riches and Poverty. An Intellectual History of Political Economy in Britain, 1750–1834*, Cambridge 1996; Stefan Collini, Richard Whatmore, Brian Young (eds.): *Economy, Polity, and Society. British Intellectual History 1750–1950*, Cambridge 2000; Isvan Hont and Michael Ignatieff (eds.): *Wealth & Virtue. The Shaping of Political Economy in the Scottish Enlightenment*, Cambridge 1983; Keith Tribe, *Governing economy. The Reformation of German Economic Discourse 1750–1840*, Cambridge 1988; the same: *Strategies of Economic Order. German economic discourse, 1750–1950*, Cambridge 1995. For an argument against the 'nationalisation' of the history of political economy see the article by John Robertson, "The Enlightenment above National Context: Political Economy in eighteenth-century Scotland and Naples", *Historical Journal*, 40 (1997).

the British Economic Association, Oncken informed his readers: "It is one of the remarkable phenomena of the present day that the Swiss, who in other branches of science have certainly not been unsuccessful, remain passive towards economic theory. For many years there has been no native amongst the economic teachers in the universities of German Switzerland; and, with the exception of Geneva, nearly the same is true of the universities and academies of French Switzerland."⁵ As Oncken emphasised, "Switzerland [had] not always been so backward". There had been Jean-Jacques Rousseau, Jean-Daniel Herrenschwand⁶, J.-C.-L. Sismonde de Sismondi, the "once famous Economic Society of Berne"⁷, Jean Louis Muret⁸ whose statistical work on the population of the Pays de Vaud found its way into the footnotes of Malthus' *Essay on the Principle of Population*, as well as the Basle secretary of state, Isaak Iselin, who Oncken praised as an eminent follower of Quesnay⁹. He also mentioned four early nineteenth-century writers, namely Charles Victor de Bonstetten, Karl Ludwig von Haller and the statisticians Christoph Bernoulli¹⁰ and Stefano Franscini. According to Oncken, "the strength

4 Oncken taught at the University of Berne from 1878–1910, where he also wrote his influential textbook, *Geschichte der Nationalökonomie*, Erster Teil: *Die Zeit vor Adam Smith*, Leipzig 1902 (a second part of the *Geschichte* was never written). Oncken is now mostly remembered for his involvement in the debate on the so called 'Das Adam Smith Problem', which sought to explain how Smith could write about both *Moral Sentiments* and the *Wealth of Nations* without openly contradicting himself.

5 August Oncken: "Political Economy in Switzerland", *The Economic Journal*, vol. 5, issue 17 (March 1895), p. 134.

6 Adolf Jöhr: *Jean Herrenschwand. Ein schweizerischer Nationalökonom des 18ten Jahrhunderts*, Diss. Berne 1901; Gabriel Poulalion: *Le Principe de Population de Jean-Daniel Herrenschwand*, Pessac 1990.

7 There exists a considerable amount of (mostly older) literature on the Bernese Economic Society amongst which the following are perhaps still the most informative: A. Oncken, *Der ältere Mirabeau und die ökonomische Gesellschaft in Bern*, Berne 1886; C. Bäschlin: *Die Blütezeit der ökonomischen Gesellschaft in Bern 1759–1766*, Laupen 1917; and E. Honegger: *Ideengeschichte der bernischen Nationalökonomie im 18. Jahrhundert*, Berne 1922.

8 A. Lauerburg: *J. L. Muret, ein schweizerischer Nationalökonom des 18. Jahrhunderts*, Berne 1893.

9 Iselin's biographer, Ulrich Im Hof, unfortunately does not discuss his economic thought. An outdated discussion of Iselin as an economist can be found in: August Miaskowski: *Isaak Iselin, ein Beitrag zur Geschichte der volkswirtschaftlichen, sozialen und politischen Bestrebungen der Schweiz im XVIII. Jahrhundert*, Basel 1875; Karl Konrad Bretschneider: *Isaak Iselin. Ein schweizer Physiokrat des XVIII. Jahrhunderts*, Diss., Aachen 1908; Alexandra Kraus: *Die Einflüsse der physiokratischen Bewegung in Literatur und Gesetzgebung und ihre praktische Auswirkung in der Landschaft der Schweiz*, Diss., Vienna 1928; some very interesting material on Iselin's defence of the liberalisation of grain trade can be found in Holger Jacob-Friesen's careful edition of Iselin's correspondence with the German editor Nicolai: *Profile der Aufklärung. Friedrich Nicolai – Isaak Iselin. Briefwechsel (1767–1782)*, Schweizer Texte – Neue Folge, vol. 10, Berne/Stuttgart/Vienna 1997. A collection of Iselin's later political and economic essays including some of the replies by the Bernese reformer, N. E. Tschärner, on the problematic relation between republican politics and a market economy is now being prepared for publication by the author of this article.

10 On Christoph Bernoulli, see W. Lüthi: "Die nationalökonomischen Schriften Christoph Bernoullis", *Basler Zeitschrift für Geschichte und Altertumskunde*, 48 (1936), p. 167–204.

of the Swiss in this department of theory failed completely” and by the mid-nineteenth century it became necessary to apply to foreign countries to fill professorial chairs at the universities. One of the first to obey the summons, Oncken recalled, was Bruno Hildebrand, the author of *Die Nationalökonomie der Gegenwart und Zukunft* (1848), who first taught at Zurich (1851–1855) and then at Berne (until 1861) and who was responsible for setting up the first Swiss statistical bureau. Karl Knies also lived for some time in Switzerland – as a schoolteacher in Schaffhausen – and it was here that he wrote his influential *Die politische Oekonomie vom Standpunkte der geschichtlichen Methode* (1853). By the time that Oncken was writing his article the only remaining Swiss professors of political economy were the Genevan Louis Jacquemot, the social-liberal Charles Secrétan (who taught philosophy and natural law at Lausanne) and the Catholic-socialist Jean-Baptiste Jaccoud from Fribourg¹¹. The remaining posts in the field of political economy were occupied by Germans, Austrians, Italians, Frenchmen and one Russian.

Oncken did not have a ready answer to account for the apparent indifference of the Swiss towards economic theory, but he believed that the phenomenon could partly be explained by Switzerland’s unique political constellation, her sheltered position within international politics and her strong tradition of local autonomy, which, so he argued, called for a high degree of political participation and encouraged the Swiss to focus on matters of day-to-day, local politics. Most of their intellectual energy, it followed, was spent on practical issues, leaving little or no time for fanciful metaphysical speculation. The idea that the Swiss were largely practically-minded with little passion for theoretical investigation was repeated by numerous writers at the time, including Oncken’s doctoral student, Karl Konrad Bretschneider, in the preface to his dissertation on Iselin’s economic thought, published in 1908: “Es ist eigentlich nicht zu verwundern, dass die ganze schweizerische Literatur kein einziges selbstständiges philosophisches oder speziell national-ökonomisches System, in seinem vollen Umfange durchgeführt, aufzuweisen hat. Denn die Natur und das Streben des Schweizers ist zu sehr auf das praktische, man möchte sagen, das speziell naheliegende gerichtet, als dass er sich auf das Gebiet spekulativer Erörterungen tiefer einlasse.”¹²

11 On Secrétan, see F. Pillon: *La Philosophie de Charles Secrétan*, Paris 1898; André Burnier: *La pensée de Charles Secrétan et le problème du fondement métaphysique des jugements de valeur moraux*, Neuchâtel 1934; Felix Lehner: *Freiheit in Wirtschaft, Staat und Religion. Die Philosophie der Gesellschaft von Charles Secrétan (1815–1895)*, Zurich 1967; B. Salmona: *Il pensiero di Charles Secrétan*, 2 vols., Milan 1968–1971.

12 K. K. Bretschneider: *Isaak Iselin*, p. 1.

There was another reason, Oncken believed, why the Swiss had failed to make their mark in economics. In contrast to some other European countries, the Swiss, he claimed, did not possess a distinct philosophical tradition able to have provided an epistemic backbone for the development of an easily recognisable Swiss position in economic theory¹³. It was essentially for these reasons, he noted, that “we cannot speak of a Swiss school of political economy as we can, e.g., of a German, an Austrian, or an English school”. Oncken himself found nothing wrong with this situation, for while the Swiss academic scene seemed quite “anarchic” and in this respect less attractive to foreign observers, it was at the same time also remarkably tolerant, “especially in comparison with adjacent countries, where schools are organised in an almost military fashion, and stand opposed to the schools of other countries like nationally distinct armies of thinkers”.

Oncken undoubtedly had a point in arguing that there was never a ‘Swiss School’ of political economy in the way that historians have come to speak of the various ‘German Schools’, the ‘Swedish School’ centred around Knut Wicksell, Bertil Ohlin, and Eli Heckscher or the Austrian School around Karl Menger or Eugen von Böhm-Bawerk. The analytical value of the term ‘School’, of course, remains highly questionable and its use often says more about the methodological assumptions of historians than about the actual concerns of a set group of thinkers. But even if we take the notion in its widest possible sense it would still be hard to identify a group of Swiss academics or writers who might have formed a distinct intellectual party or subscribed to a clearly defined set of methodological premises and ideological principles¹⁴. Nineteenth-century Swiss German political economists tended to be more influenced by various German debates in historical economics, while their Vaudois and Genevan colleagues usually found their inspiration more from French and English sources. The closest Switzerland ever came to having a specific school, it is often argued, was the so-called ‘Lausanne School’ of Walras and Pareto and there is an array of literature which talks quite freely about ‘The Lausanne School of Political Economy’.

13 On this question, see Anna Tumarkin: *Wesen und Werden der schweizerischen Philosophie*, Frauenfeld 1948; Martin Meyer (ed.): *Philosophie in der Schweiz: eine Bestandesaufnahme: von Lambert 1728–1777 bis Piaget 1869–1980*, Zurich 1981; and more recently Christoph Dejung: *Philosophy of Switzerland*, Zurich 1997 (the original German edition, *Philosophie in der Schweiz*, was first published in Zurich 1994), esp. p. 13f.

14 For example, Ulrich Im Hof’s essay: *Aufklärung in der Schweiz* (Berne 1970), contains a chapter with the title “Die Schweizer Schule des ‘gesunden Menschenverstandes’”, and which includes short accounts of Beat von Muralt, Albrecht von Haller, J. J. Bodmer, J.-J. Rousseau, and Franz Urs Balthasar. Yet, Im Hof himself makes no attempt to establish any closer intellectual affinity between these different figures.

But even here the term seems misleading. While it is true that both Walras and Pareto stood out from their peers and remained quite resistant to local academic fashions, their respective work was founded on very different epistemological premises and, as Pareto repeatedly insisted, followed quite separate philosophical agendas. Moreover, their influence was far more noticeable abroad than it was in Switzerland itself.

There is another way to explain the relative absence of Swiss authors from the canon of European political and economic discourse. Here the emphasis is not so much on the putative intellectual quality of Swiss economists but on the way that the intellectual history of political economy was written for much of the twentieth century. Many of the standard textbooks on the history of economic thought were (and in some cases continue to be) written as retrospective histories of economic analysis, meaning that the analytical framework deployed for organising the archive material mainly reflected the intellectual preoccupations of neo-classical economics.

This imposition of a neo-classical grid lead to the formation of a canon of great economists and of classical economic texts with some rather surprising results. No intellectual historian would doubt the central importance of Rousseau in eighteenth-century debates on political economy if only because he was one of the first authors since Monchrétien to actually use the term 'économie politique'¹⁵. One might expect to find a discussion of his work at the very heart of any serious account of Enlightenment political economy. But Rousseau is however hardly ever mentioned in any of the standard textbooks on the history of economics¹⁶.

15 J.-J. Rousseau's *Discours de l'économie politique* (1758) was first published under the title "Economie (Morale et Politique)" in vol. V of the *Encyclopédie* (1755). See Jean-Claude Perrot's article: "Économie Politique", in his *Une histoire intellectuelle de l'économie politique. XVII^e-XVIII^e siècle*, Paris 1992, p. 67.

16 For Rousseau's connections to the 'Encyclopédistes', see René Hubert: *Rousseau et l'Encyclopédie: essai sur la formation des idées politiques de Rousseau (1742-1756)*, Paris [1928]. A German translation of Rousseau's essay (probably by Jakob Wegelin) was published under the – very faithful – title, "Rede über die politische Haushaltungskunst von Herrn Rousseau, Bürger von Genf", in *Gesamelte auserlesene Republikanische Reden*, Erster Band, Chur 1770. There does not exist any serious critical edition of Rousseau's article. The best, although by now largely outdated, introduction is still that of Yves Varga: *Rousseau. Économie Politique (1755)*, Paris 1986. See also, Alexandre Chabert: "Rousseau économiste", *Revue d'histoire économique et sociale*, No. 3, 1964, p. 345–356; Robert Derathé: "Introduction; Discours sur l'économie politique", *Œuvres complètes de J.-J. Rousseau*, L'édition de la Bibliothèque de la Pléiade, Paris 1959–1995, vol. III; and most recently the (rather idiosyncratic) study by Bertil Fridén: *Rousseau's Economic Philosophy. Beyond the Market of Innocents*, Dordrecht/Boston/London 1998. None of these studies, including that of Fridén which is mostly concerned with modern welfare economics rather than with the historical Rousseau, properly investigates the strongly Aristotelian resonance of Rousseau's critical discussion of the composite notion of political economy.

Schumpeter mentions Rousseau only in passing, and always in relation to other writers, while the Basle mathematician Daniel Bernoulli, whose influence on eighteenth-century Swiss discourse was very mild at best (although it might be interesting to investigate Bernoulli's influence on Iselin's price theory of the late 1770s), is discussed over the length of several pages. The reason for this uneven treatment is the pioneering role that Schumpeter, following Jevons, attributed to Bernoulli for one of his short essays from 1738, the *Specimen theoriae novae de mensura sortis* (where he tried to explain the discrepancy between a mathematical value of chance and the lower value that people ordinarily place on it) for the development of the concept of marginal utility and of the principle of diminishing marginal utility¹⁷. It is also according to this rationale that we often find mention made of Cherbuliez' well written yet otherwise fairly undemanding *Précis de la science économique* (1862), but very little at all on the works of far more original thinkers like Karl Ludwig von Haller or Johann Caspar Bluntschli¹⁸.

2. How political is Political Economy?

Over the last few decades there has been a trend amongst intellectual historians to try and overcome some of the shortcomings of this kind of *Dogmengeschichte* and to redress the balance in favour of a more historically self-conscious reconstruction of the history of political economy¹⁹. This has led to systematic questioning of the relevance of modern economic theory and its central analytical categories for the study of the history of economic thought.

17 See Daniel Bernoulli: *Die Grundlage der modernen Wertlehre. Versuch einer neuen Theorie der Wertbestimmung von Glücksfällen*; Aus dem Lateinischen übersetzt und mit Erläuterungen versehen von Professor Dr. Alfred Pringsheim, Leipzig 1896. An English translation by Louise Sommer: "Exposition of a new theory on the measurement of risk" appeared in *Econometrica*, vol. 22, 1954; reprinted, with an introduction by Ludwig Flick: *Specimen ...*, Franschborough Hants 1967.

18 An exhaustive bibliography on Haller can be found at the end of Albert Portmann-Tinguely's article, "Karl Ludwig von Haller", in *Biographisch-Bibliographisches Kirchenlexikon*, vol. XVII, Herzberg 2000. A modern study of Bluntschli's political and legal thought is much needed. See Friedrich Meili: *Johann Caspar Bluntschli und seine Bedeutung für die moderne Rechtswissenschaft: Ein Erinnerungsblatt zum hundertsten Geburtstage 7. März 1908*, Zurich 1908; Jacques Vontobel: *Johann Caspar Bluntschli's Lehre von Recht und Staat*, Zurich 1956; Monika Fassbender-Ilge: *Liberalismus, Wissenschaft, Realpolitik: Untersuchung des 'Deutschen Staats-Wörterbuchs' von Johann Caspar Bluntschli und Karl Brater als Beitrag zur Liberalismusgeschichte zwischen 48er Revolution und Reichsgründung*, Frankfurt 1981.

19 See for example Keith Tribe: *Land, Labour and Economic Discourse*, London 1978; Alain Béraud and Gilbert Faccarello (eds.): *Nouvelle histoire de la pensée économique*, tome 1: *Des scolastiques aux classiques*, Paris 1992; Philip T. Hoffman and Kathryn Norberg (eds.): *Fiscal Crises, Liberty, and Representative Government. 1450-1789*, Stanford 1994.

Moving away from the heavily ideological frameworks of nineteenth-century histories was greatly helped by the reassessments of a number of key thinkers whose work has traditionally been seen as intimately associated with the emergence of modern economic discourse. One of the more dramatic revisions has been to the work of John Locke. The image of Locke as the founding-father of a property-centred, secular, modern liberalism (an interpretation supported by many Marxist, liberal and Christian conservative historians alike) has been replaced by a more faithfully historical picture of Locke as a thinker who was deeply worried about the moral and political consequences of a world determined by sceptical politics and who insisted that without a Christian political ontology the ideas of justice, rights, and toleration were simply not credible. No less dramatic has been the shift in our understanding of the work of Adam Smith. There has been a common misperception of Smith as an apolitical or even anti-political thinker, who placed his trust in the auto-regulating capacity of a purely commercial society and called for the minimal state. Since the late 1970s this picture of Smith as the high priest of a modern world regulated by impersonal market mechanisms has been changed to one which shows Smith much more as a typical (although distinctly non-Christian) eighteenth-century reformer deeply involved in discussions of current political events, and a full participant in the Enlightenment debate about commercial society, the advance of civilisation and the rise of modern liberty²⁰.

Some Swiss authors actively participated in this European debate on legislative politics. George Louis Schmid's *Principes de la Législation Universelle* of 1776, Théodore Rilliet de Saussure's *Lettres sur l'Emprunt et l'Impôt* of 1779, Jean-Louis Delolme's famous *Constitution de l'Angleterre*, and Isaak Iselin's numerous writings on legislation are some examples²¹. The prize-essay competitions of the Economic Society of Berne, in particular the one on the 'Spirit of Legislation', were closely watched throughout the German and French speaking Enlightenment²².

20 See e.g. Arnold Meyer-Faje and Peter Ulrich (eds.): *Der andere Adam Smith. Beiträge zur Neubestimmung von Ökonomie als Politischer Ökonomie*, Berne/Stuttgart 1991; Donald Winch: *Adam Smith's Politics: an Essay in historiographical Revision*, Cambridge 1978; Knud Haakonssen: *The Science of the Legislator*, Cambridge 1981.

21 Iselin discussed issues of legislation in most of his writings. See especially the *Tentamen Iuris Publici Helvetici*, Basel 1751; *Filosofische und patriotische Träume eines Menschenfreundes*, Freiburg [Basle] 1755; *Versuch über die Gesetzgebung*, Zurich 1760; *Philosophische und Politische Versuche*, Zurich 1760; *Versuch über die gesellige Ordnung*, Basel 1772.

22 'Quel devroit être l'esprit de la législation, pour favoriser l'agriculture, et relativement à ce premier objet, la population, les arts, les métiers et le commerce?' The question was proposed by Count Mnischev, the answers were published in 1765, vol. II, *Recueil de Memoires*, etc., Berne 1765.

So too was the essay competition launched by the Bernese Patriotic Society, which, from the outset, was designed to become a platform for a genuinely comparative European debate on moral legislation.

The whole cluster of debates was overshadowed by the economic rivalry between the two European superpowers England and France: between English 'liberty' and French 'Absolutism' and the question of the suitability of either the English or French political systems for maintaining a continuous high level of economic competitiveness. The staggering costs of modern warfare meant that competition between states had acquired a far stronger economic component than had been the case in previous centuries²³. The needs of national security created continuous, seemingly open-ended demand for further finance on a scale that simply could not be met by the expedients of the past. Military confrontations, it followed, were no longer decided by tactical skills and bravery alone but also and even to a greater extent by a nation's capacity to conquer foreign markets and to dominate the European consumer market by keeping production costs at a minimum. While modern victories were no longer a proof of moral strength in the classical republican sense but were an effect of a nation's technical superiority and its ability to meet the financial costs of military expenditure. Understanding the principles that could lead a modern nation to greatness hence required the joint study of politics, especially international politics, *and* economic logic.

3. Why is Swiss politics different from any other politics in the eighteenth century?

Scholars have rightly criticised the use of terms like 'Mercantilism' or 'Liberalism' as a way to separate the major strands of political and economic thought on the grounds that these concepts were far too abstract and ahistorical to provide an acceptable analytical grid for any historically accurate reconstruction of past debates. No eighteenth-century figure ever used the word 'Mercantilism'; Adam Smith in his *Wealth of Nations* referred to a 'mercantile system' but the derivation of Smith's concept is now regarded as largely false and obsolete, or, if it referred to anything at all, can be taken to refer to the political and economic strategies of large territorial monarchies²⁴.

23 See Richard B. Sher: "Adam Ferguson, Adam Smith, and the Problem of National Defense", *Journal of Modern History*, vol. 61, No. 2 (1989), p. 240-268; Istvan Hont: "The rhapsody of public debt: David Hume and voluntary state bankruptcy", in N. Phillipson and Q. Skinner (eds.): *Political discourse in early modern Britain*, Cambridge 1993; Mike Sonenscher, "The nation's debt and the birth of the modern republic: The French fiscal deficit and the politics of the revolution of 1789", *History of Political Thought*, XVIII, No. 1 and 2 (1997).

This has a direct bearing on our understanding of the case of Switzerland. What interests us here is not whether the new history of political economy is right in its reconstruction of Enlightenment political economy through the vocabulary of the 'science of the legislator'. Nor should it be an issue whether such concepts as 'Mercantilism' can actually tell us anything about how French thinkers thought about the problem of 'state building'. What concerns us here is whether or not there is any special feature of this reconstruction of the 'science of the legislator' with regard to the Swiss case.

It is important to realise that Switzerland does not fit into any of the models mentioned above. This raises the important question of the applicability and relevance of the standard vocabulary of the history of economics for the comprehension of Swiss economic thought. No one would mistake eighteenth-century Switzerland for a territorial monarchy. But for a long time it has been standard practice to discuss eighteenth-century Swiss thinkers within a framework and according to a set of categories that applies to the economies of large territorial monarchies like France or Britain. Not surprisingly, Swiss historians have found it difficult to find any true Physiocrats or Mercantilists on Swiss soil. A good example is the study already mentioned by Karl Konrad Bretschneider, *Isaak Iselin. Ein Schweizer Physiokrat des XVIII. Jahrhunderts*, where he proceeds to evaluate the quality and originality of Iselin's contribution to Enlightenment debates on political economy in terms of his understanding of Quesnay's *Tableau*. It is to Bretschneider's credit that Iselin emerges from his study as a 'failed' Physiocrat. But even more recent studies have found it difficult to overcome this traditional framework, most noticeably perhaps Hans Rudolf Rytz' otherwise very insightful study of eighteenth-century Bernese theologians, *Geistliche des alten Bern zwischen Merkantilismus und Physiokratie* (1971). (A laudable exception is the work by Georg C. L. Schmidt, *Der Schweizerbauer im Zeitalter des Frühkapitalismus* [1932] where he, in order to highlight the specificity of the Swiss case, replaces the dichotomy of Mercantilism versus Physiocracy by the far more useful and historically accurate concept of 'Economic Patriotism'.²⁵)

24 For a critical commentary on Eli Hekscher's late nineteenth-century redeployment of 'Mercantilism' see especially, Lars Magnusson: *Mercantilism, The Shaping of an Economic Language*, London/New York 1994.

25 Hans Rudolf Rytz: *Geistliche des alten Bern zwischen Merkantilismus und Physiokratie. Ein Beitrag zur Schweizerischen Sozialgeschichte des 18. Jahrhunderts*, Basler Beiträge zur Geschichtswissenschaft, vol. 121, Basel/Stuttgart 1971; Georg C. L. Schmidt: *Der Schweizerbauer im Zeitalter des Frühkapitalismus*, 2 vols., Berne 1932.

Nor did Switzerland fit the model of a maritime, trading republic. Eighteenth-century Swiss thinkers themselves were in no doubt about this point and consistently issued warnings of what would happen if Switzerland was to try to emulate the Dutch miracle. Critical discussion of the Dutch case reached its peak during the early phase of the Seven-Years War, as can be seen from the essays submitted to the prize-essay competition of the Bernese Economic Society of 1759 on the question, *Quelles sont les raisons qui doivent engager les Suisses par préférence à la culture des bleds?* The fact, it was argued, that Berne, Zurich, Lucerne or other cantons were republics did not imply that their political economy was in any way similar to that of Holland. Echoing Montesquieu's account of commercial republics in the *Spirit of the Laws*, most authors claimed that the success of the Dutch in building up a flourishing trading economy should be understood as the outcome of a specific constellation of historical and geo-political circumstances. Holland's trading economy, like that of Tyre, Carthage, Marseille, and Venice was the natural activity of men who were forced to hide in barren, coastal regions, marshes and swamps, and who in order to survive had no choice but to engage in traffic and trade. None of these circumstances applied to the Swiss case. Switzerland had no access to the sea; it was not a maritime state but a landlocked republic, surrounded by large territorial monarchies.

When discussing the fate of their northern sister republic, Swiss writers usually gave a second reason why the Dutch model should not be superimposed onto the Swiss setting. Dutch trade had developed its formidable force at a time when the major European territorial monarchies showed little interest in an economy of commerce and were happy to leave the activities of finance and trade to a few specialised maritime trade carriers like Venice and Holland. This interpretation of Holland's success was by no means new. It was on the basis of this analysis that William Temple in his *Observations Upon the United Provinces of the Netherlands* first published in 1673 had predicted the end to the Dutch republic's status as a European superpower. Holland's decline would come about, Temple claimed, not because of the corrupting impact of commerce on republican morals or because Holland, having reached the pinnacle of her wealth and greatness, was now condemned to suffer the fate of all republics. The reason for Holland's decline was that the republic would become exposed to new and increasingly stiff competition from the large territorial monarchies who, driven by the need to meet the financial demands imposed upon them by modern warfare, were now forced to become international commercial agents themselves.

Holland's success (it followed) was built on a mere temporal advantage over its traditionally more agriculturally centred neighbours. Temple's prediction of Holland's imminent downfall was repeated throughout the first half of the eighteenth century, notably by Hume and Montesquieu, and it was readily picked up by Swiss writers who wished to make the distinction between the Dutch republics and their own as wide as possible²⁶.

Eighteenth-century thinkers usually associated the Swiss republics with a fourth and altogether different model of political economy, namely that of a landlocked, agrarian republic. Here too, Montesquieu's *Spirit of the Laws* provided the central analytical framework. Agrarian republics, Montesquieu explained, had their origins in military turmoil. They were warrior republics which had to preserve the purity of their founding principles under a regime of rigid self-discipline, by maintaining as little contact as possible with the outside world. One of the principal policies of agrarian republics was thus to strive for economic autonomy, at least in the production of primary goods, and to keep a tight control over the dynamics of artificial needs both by means of sumptuary laws and by implementing a strict moral education which presented self-sacrifice and self-restraint as the key to national and hence personal liberty. Agrarian republics were unable to obtain the degree of economic wealth and ostentation that could be found in modern commercial nations like Holland, England and France, nor was it in their interest to try and do so. Their primary concern was to protect the autonomy of their politics as much as possible from the pressures of international economic competition and to attract as little attention and envy as possible from their neighbours. Unlike their commercial counterparts, the future of agrarian republics did not depend on their ability to maintain a competitive economic advantage over their monarchical rivals. Instead, their future was determined by the degree to which they managed to fend off the dictates of the European market economy and to shelter their citizens from the laws of fashion.

Agrarian, military republics presented a very different picture from what was happening in the large commercial nations of Europe and Switzerland, or in any case one part of it, was widely perceived to be the state that came closest to fulfilling that ideal. Viewed from outside, Swiss city politics looked rather old-fashioned, while its highly regimented social and economic life lent it a peculiarly late-medieval or, according to

26 See G. L. Schmid: "Du Commerce et du Luxe", in *Essais sur divers sujets interessans de Politique et de Morale*, s.l. 1761; Albert Stapfer: "Essai sur la question", in *Mémoires et Observations*, 1760, p. 53f., Jean Bertrand: "Essai sur les questions", in *Ibid.*, p. 101f.

some visitors, even a Roman republican, feel. But what really set Switzerland apart from the other European states was its fiscal policy. In contrast to their neighbours, the Swiss republics had managed not only to reduce their respective public debts over the course of the seventeenth century but some of them, notably Geneva, Zurich and Berne, had even managed to build up considerable fiscal surpluses and these acquired legendary status within the Enlightenment ideological debates on political economy²⁷. The Swiss republics also received much attention for their regime of low taxation. Here too, as the Göttingen Professor, Christoph Meiners, noted in 1782, the Swiss experience was fundamentally at odds with more recent developments in the rest of Europe: "In allen übrigen Staaten sind die Auflagen unglaublich vervielfacht worden, und doch sind diese Staaten, einen oder einige ausgenommen, in unermessliche Schulden versunken. Bern hingegen fordert noch immer von Bürgern und Unterthanen nicht mehr, als vor zwey hundert Jahren, und hat sich doch bey diesen unveränderten Auflagen, beträchtliche Schätze gesammelt."²⁸ For Meiners, the Swiss republics were models of frugality and social stability, a view that was readily shared by most of his contemporaries. The French author Charles Joseph Mayer concluded that because of their strict fiscal discipline the Swiss republics were in the unique and enviable position of not having to suffer the adverse effects of the growth of international capital markets. The Swiss, so Mayer, "ne craignaient point les banqueroutes. Le souverain y veille avec attention. Il ne veut pas que l'Etranger devienne le créancier du Citoyen. Il sçait qu'il en résulteroit des saisis qui appelleroit de nouveaux propriétaires, qui en peu de tems auroient alteré ou renversé la République."²⁹

Similar comments were also made by the Italian C. A. Pilati in his *Voyages en differens pays de l'Europe* (1777) where he directly contrasted Dutch mercantile splendour to Swiss agrarian mediocrity. Compared to Holland the state of the Swiss republics was far "less brilliant", and for these reasons "il est certainement plus solide, et de nature à devoir durer beaucoup plus longtemps: la situation de ces cantons et la qualité de leur terrain sont telles qu'ils ne pourront jamais s'élever au-dessus de l'état de médiocrité, qui convient le plus à tous ces gouverne-

27 For a detailed account of Switzerland's early-modern fiscal policies see the excellent survey article by Martin Körner "The Swiss Confederation", in Richard Bonney (ed.): *The Rise of the Fiscal State in Europe, c. 1200–1815*, Oxford 1999, p. 327–357. See especially the figures presented on the Swiss republics' public expenditure (p. 334).

28 Christoph Meiners: *Briefe über die Schweiz*, 2nd enlarged edition, 4 vols., Tübingen 1791, vol. 1, p. 230.

29 Charles Joseph Mayer: *Voyage en Suisse en 1784*, 2 vols., Amsterdam 1786, vol. II, p. 277.

ments, et surtout aux républicains". Switzerland, Pilati continued, was for these reasons full of "hommes d'une vertu male et républicaine". And finally, "les Suisses sont les seuls de tous les peuples modernes qui connaissent et pratiquent cette vertu qu'on appelle l'amour de la patrie, dont les autres nations ne savent pas seulement se former une idée." What interests us here is not whether or not Mayer, Meiners or Pilati gave an accurate description of Swiss society of the 1770s and 1780s. Pilati was neither a noticeably subtle observer nor a very original thinker, yet he was clearly subtle enough to know what it was that made Switzerland so fascinating to the majority of his readers throughout Europe: the idea that the Swiss republics were the last place in Europe to have escaped the problems of modern politics³⁰.

Modern foreign research on Switzerland has often focused on Rousseau and his hometown Geneva as the obvious and most typical example of eighteenth-century Swiss politics³¹. It is thus important to realise that this is not how most contemporary observers saw it. When eighteenth-century authors wrote about Switzerland as a particular model of political economy they hardly ever talked about the republic of Geneva. Most of them saw Geneva as a highly cultured but unstable, commercial aristocracy where widespread speculative frenzy in foreign funds had left the republic utterly dependent on the fate of the French national debt³². For most eighteenth-century authors the traditional image of Switzerland as the last remaining non-commercial, Machiavellian, free-state could best be found in the large agrarian republics, especially the aristocratic republic of Berne. David Hume, Adam Smith, Gabriel Bonnot de Mably, the Marquis de Mirabeau to name but a few very rarely mention Geneva or Basle, or the small democratic cantons, but very often mention Berne. Even many of Rousseau's positive comments about

30 The image of Switzerland in European literature is discussed at great length in Claude Reichler and Roland Ruffieux (eds.): *Le voyage en Suisse. Anthologie des voyageurs français et européens de la renaissance au XX^e siècle*, Paris 1998.

31 See e.g. Benjamin R. Barber: "How Swiss is Rousseau?", *Political Theory* 13 (1985), p. 475–495.

32 A typical description of Geneva's dependence on France's public finance was given by Johannes von Müller in a letter to Bürgermeister Meyer from September 1774: "La république de Genève est si entièrement revenue de ses craintes concernant les paiements des rentes de France, que tout le monde, riches et pauvres, s'empressent avec une ardeur peu politique de metre tout leur argent dans les fonds de ce royaume." Cited from Edgar Bonjour (ed.): *Johannes von Müller. Briefe in Auswahl*, Basel 1954, p. 78. An even more alarmist account was given by the German historian, Christoph Meiners, "So wie keine andere Stadt von der gleichen Grösse die Speculationen mit den Französischen Fonds so weit getrieben, und keine so viel dadurch gewonnen hat, als Genf; so ist auch keine andere in so grosser Gefahr, durch einen Französischen Bankerott zu Grunde gerichtet zu werden. Es ist im buchstäblichen Sinn wahr, dass die Wohlfahrt von Genf mit der Wohlfahrt von Frankreich, oder vielmehr mit dem Credit des französische Hofes unzertrennlich verbunden ist." *Briefe über die Schweiz*, vol. 4, p. 77–78.

Switzerland in the *Projet de Constitution pour la Corse* and the *Considérations sur le Gouvernement de Pologne*, especially his comments on the importance of a strong agriculture as the true basis of republican politics, are references to Berne, rather than to Geneva.

Swiss reform thinkers were painfully aware that the 'real existing' republicanism of the eighteenth-century Swiss Confederation was very different from the ideal that could be found in much of the European literature of comparative politics. Even if the Swiss republics had maintained both a strong military tradition and a comparably strict regime of moral discipline they were clearly not Sparta or early Rome as some commentators like to claim. Nor did their present social and political arrangements live up to the expectations of the numerous critics of modern society who came to revere the Swiss republics as the last remaining hope for a better future of mankind, in which men would once again be treated as citizens and not as mere market commodities. Eighteenth-century Switzerland, in the first place, was firmly locked into the mechanisms of international state finance. Berne, in particular, that Enlightenment paragon of social and political stability received over a third of its annual public income from its investments in foreign assets and in the process had become intimately linked to the fate of those nations whose fiscal policies were thought to present the very nemesis of military republican politics. The leading Bernese families meanwhile, like their Genevan fellow-patriots, increasingly placed their private fortunes in French funds and life annuities³³. Nor was the Swiss Confederation even close to being autonomous in the production of subsistence goods. Virtually all Swiss cantons depended heavily on the import of foreign grain and salt and, it was often argued, were highly exposed to the risks of punitive price policies or blockades from foreign producers. The strongly export-oriented manufacturing and trading industry moreover was tied into a complex system of treaties and bilateral agreements, especially with France, which assured Swiss merchants favourable trading conditions while rendering the Confederation, as many reformers complained, hostage to French interests abroad³⁴. Nor, finally, did Swiss citi-

33 The financial activities of the Bernese elite and of the private Marquard bank during the eighteenth century are the subject of a forthcoming study by Luciano Ruggia from the University of Geneva: *L'histoire de la Banque Marquard à Berne, 1750–1820*.

34 The political consequences of Switzerland's trade agreements with France were critically discussed throughout the century. See for example Isaak Iselin's letter to his friend Felix Baltasar from June 1762: "Ich wollte da endlich alles nachgeben, nur um die Freyheit und Unabhängigkeit des Staates zu behaupten. Was ligt uns daran, dass unsre Kaufleute in Frankreich etwas weniger Auflagen geben, wenn wir bey Hause Sklaven sind? Was macht es uns für Ehre in Frankreich nicht aubains zu sein, wenn uns der Botschafter in unsern Städten mehr befiehlt, als er keinem königlichen Unterthanen zumuthen dürfte?" Ferdiand Schwarz (ed.):

zens seem in any way resilient to the dictates of foreign fashion but, as one Bernese author complained in 1722, quite happily subjected themselves to its yoke: "Wir gefallen uns selbst trefflich wohl in dieser Affen-Arth. Es braucht nichts, als dass eine Gewonheit von Paris, Amsterdam, Londren, alhero berichtet werde, so lassen wir uns alle angelegen seyn, Pariser, Holländer, Engelländer zu werden."³⁵

Given Switzerland's de facto participation in Europe's new economic order, the central issue was not to assess how close the real Swiss republican experience resembled the ideal of a classical agrarian republic. The crucial question that many Swiss reformers asked was whether the Swiss Confederation could be transformed into a modern republic. In eighteenth-century Swiss debates assessments of Switzerland's chances of becoming a real player within the new European economic and political order necessarily took the form of the joint study of economics *and* politics. This required not only a sound technical understanding of the workings of a modern economy, of new financial tools and of how and to what extent these findings might be applied to the Swiss case³⁶. It also called for an understanding of the form that a new Swiss politics (local, federal as well as international) should take if it was to provide the

Briefwechsel des Basler Ratschreibers Isaak Iselin mit dem Luzerner Ratsherren Felix Balthasar, Basel 1925, p. 121. On Switzerland's participation in the 'global economy' of pre-revolutionary Europe see Paul Bairoch, Martin Körner (eds.): *La Suisse dans l'économie mondiale*, Geneva 1990, especially the three articles by Anne-Lise Head: "Intégration ou exclusion: le dilemme des soldats suisses au service de France", p. 37ff.; Ulrich Pfister: "Regionale Industrialisierung in der frühneuzeitlichen Weltwirtschaft: Das Beispiel der Zürcher Protoindustrialisierung (16.–18. Jahrhundert)", which also discusses the highly contentious role played by the foreign regiments within Swiss-French trade agreements, p. 57f.; and Niklaus Röthlin: "Ein Blick auf die Bezugs- und Absatzgebiete des schweizerischen Grosshandels anhand einiger Bilanzen aus dem 18. Jahrhundert", *Ibid.* p. 85f.; most recently, Erika Flückiger and Anne Radeff: "Globale Ökonomie im alten Staat Bern am Ende des Ancien Régime", *Berner Zeitschrift für Geschichte und Heimatkunde*, 62 (2000), Heft 1, p. 5ff.

35 Anon.: "Ueber die Nachahmung", *Bernisches Freytags-Blättlein*, Zweyter Theil, Berne 1722, p. 224–225.

36 The main forum for the presentation of current monetary theories was the *Ephemeriden der Menschheit* edited by Isaak Iselin (1776–1783). See for example "Von dem Umlaufe des Geldes", Viertes Stück, 1777, p. 45–69; continued in Fünftes Stück, 1777, p. 40–60. Also, Johann Heinrich Waser: *Abhandlung vom Geld*, Zurich 1778. The discussion of new fiscal instruments like central banks or local life annuities schemes took place in many of the learned societies at the time, although relatively few of these discussions made it into print. See for example, Victor Effinger: *Des Rentes Viagères. Discours sur les Rentes Viagères lu dans l'Assemblée de la Société Patriotique* (1786), Berner Burgerbibliothek, Mss.h.h. XIII.161. Waser is now mostly remembered for his critical study of the economic viability of foreign regiments which contributed to his execution in 1780 for reasons of high treason and breach of national security: "Schweizerblut und Franzgeld, politisch gegen einander abgewogen, von einem alten Schweizer", reprinted in *Ueber das Interessanteste der Schweiz*, 4 vols., Leipzig 1780, vol. 4, p. 189ff. On Waser see, C. K. Müller: *Johann Heinrich Waser, der zürcherische Volkswirtschaftler des 18. Jahrhunderts, seine Bestrebungen und Schicksale und sein statistischer Nachlass, fortgeführt bis zur Gegenwart*, Zurich 1878; Arthur Vogt: *Johann Heinrich Waser: zum 250. Geburtstag des Volkswirtschafters, Statistikers und Pioniers des Versicherungswesens am 1. April 1992* [Burgdorf] [1992].

framework for sustained economic growth. Finally, it required a clear perception of how far – beyond the precepts of mere prudence – any political and legal reform could go without undermining the moral requirements and characteristic features of Swiss republicanism.

4. Swiss political economy and ‘three models’ for the study of the History of political thought

The past few years have seen a renewed interest in the study of eighteenth-century Swiss intellectual history. Much attention has been paid to such concepts as civic humanism, classical republicanism and patriotism on the one hand, and to Swiss discourses on jurisprudence, especially natural jurisprudence, on the other, and there has been a certain tendency (although clearly not on a general level) to portray these idioms as constituting two different, if not mutually exclusive, historical traditions of thinking about politics and the nature of citizenship. While the general outcome of this renewed focus on Swiss intellectual history of ideas has been highly positive³⁷, there is a danger that by superimposing this dichotomy onto eighteenth-century Swiss material (describing the differences in position within the ‘Swiss Enlightenment’ as those between, say, natural jurisprudence and virtue, or *political* patriots versus cosmopolitans, or for that matter *national* patriots versus philanthropists) of slipping back into the strongly ideological analytical matrix of nineteenth-century historiography. A great inspiration for some of the recent work on eighteenth-century Switzerland has clearly come from the Anglo-American scholarship of the 1970s and 1980s on the European republican tradition, particularly from J. G. A. Pocock’s *The Machiavellian Moment* of 1975. The starting point of Pocock’s lengthy journey through time and space was the Florentine republic of Machiavelli. From here he headed north to the Neo-machiavellian England of James Harrington before arriving finally on the shores of revolutionary America. There has been a debate amongst European historians about the validity of this itinerary and whether, for example, he should have included the Dutch republics or Switzerland. The suggestion would have

37 See for example the collection of essays in, Michael Böhler, Etienne Hofmann, Simone Zurbuchen (eds.): *Republikanische Tugend. Ausbildung eines Schweizer Nationalbewusstseins und Erziehung eines neuen Bürgers. Actes du 16^e colloque de l’Académie suisse des sciences humaines et sociales*, Geneva 2000; Jürgen Oelkers and Daniel Tröhler (eds.): *Die Leidenschaft der Aufklärung. Studien über Zusammenhänge von bürgerlicher Gesellschaft und Bildung*, Weinheim 1999; Bettina Volz-Tobler: *Rebellion im Namen der Tugend. “Der Erinnerer” – Eine Moralische Wochenschrift, Zürich 1765–1767*, Zurich 1997; Jacques Berchtold and Michel Porret (eds.): *Etre riche au siècle de Voltaire; actes du Congrès de Genève (18–19 juin 1994): études d’histoire et de littérature*, Geneva 1996.

received strong support from many eighteenth-century Swiss observers themselves, some of whom, like J. J. Pestaluz, claimed as late as 1785 that there was no noticeable difference between Machiavelli's Florentine republic and the Switzerland of his time³⁸. This was also the view of Johannes von Müller whose historical work (rather than, as has been claimed, Rousseau's)³⁹ undoubtedly presents the most genuine eighteenth-century attempt in Europe to capture the spirit of Machiavelli and apply his recommendations for Italy to the case of the Swiss Confederation. If civic humanism was about placing valour before property, then Switzerland had a lot to offer in that respect. The vitriolic attacks that the young Bernese and Zurich patriots launched during the Seven-Years War against modern corruption and their belligerent calls for a return to their republics' heroic founding principles would presumably have warmed any true civic humanist's heart. Only, there was no civic humanism of the Pocockean kind in eighteenth-century Switzerland, nor is it possible to speak of the kind of clear-cut distinction between a 'discourse of jurisprudence' and a 'discourse of virtue' which Pocock originally claimed to have found at the heart of Europe's early modern intellectual world.

When Samuel Henzi, for example, (who came as close to being a humanist as anyone at the time), attacks the Bernese patriciate in his *Memorial* of 1749, he does not call for political participation on the grounds of man as a *zoon politikon*, nor does he talk about the civic humanists ideal of *vita activa* and moral fulfilment through the *vivere civile*, but about reclaiming the city's original *libertas* and the reinstatement of Berne's ancient constitution which granted each citizen participation in *imperium*⁴⁰. Iselin, likewise, was nothing if not a patriot and a relentless defender of virtue. Yet he was also one of the most determined critics of traditional Swiss city republicanism and the idea that political participation was the prerequisite of liberty⁴¹. Even the intellectual uni-

38 J. J. Pestaluz: "Etwas über Machiavels Geschichte von Florenz", in *Schweizerisches Museum*, 1785 (8. Stück), p. 729–735. "Florenz, wie es ehemals als Republik aussah, steht bey so vielen treffenden Aenlichkeiten von innerer und äusserer Lage, Regierungsform, Erwerb und Handelsschaft, wie solche immer seither durch den wandelbaren Genius der Jahrhunderte modifiziert worden, in so genauer Verwandtschaft mit den meisten heutigen Freystaaten, dass, wer republikanischen Sinn hat, bey jenen Bürgerszenen unmöglich gleichgültig, und über die Anwendung eben so wenig verlegen seyn kann", p. 734.

39 For an interpretation of Rousseau as a direct follower of Machiavelli, see for example, Maurizio Viroli: *Jean-Jacques Rousseau and the 'well-ordered society'*, Cambridge 1988.

40 "Samuel Henzi's und seiner Mitverschwornen Denkschrift über den politischen Zustand der Stadt und Republik Bern im Jahre 1749", in *Helvetia. Denkwürdigkeiten für die XXII Freistaaten der Schweizerischen Eidgenossenschaft*, Joseph Anton Balthasar (ed.), vol. 1, Zurich 1823, p. 402f.

41 For an alternative view see Daniel Brühlmeier: "Isaak Iselin' and the call for civic virtue. A

verse of the patriotic *jeunesse dorée* of Zurich was not purely political. It might also be worth remembering that Berne had a 'Patriotic Society' and an 'Economic Society' and that the first was run by a *jurist*, Daniel Fellenberg, while the latter's chief ideologue, V. B. Tschärner, was the initiator of the *Patriotische Reden* held at the Äussere Stand⁴². Nor was it considered contradictory that the 'Gesellschaft patriotischer Freunde' from Berne (1783–1786) mostly discussed such issues as public investment policies, national debts, sinking funds, and the economic consequences of luxury⁴³.

Pocock's *Machiavellian Moment* came under attack because the dichotomy he drew between the jurists' general preoccupation with material things and rights on the one hand and the humanists' preoccupation with the virtues on the other was not entirely clear⁴⁴. Pocock himself has since revised his initial position and has suggested a third way of studying the history of political thought. Rejecting his previous insistence on the strict discontinuity between jurists and humanists, he has suggested that what happened during the last decades of the seventeenth century was that political thinkers sought for ways of constructing an ideology that allowed them to talk about the issues of strict justice and the administration of things without having to give up the humanist language of virtue⁴⁵. The way this worked, according to Pocock, was that the concept of the virtues was redefined (they were now called manners) – in the sense that virtue now described not only the relationship amongst equals within the sphere of the political but they also described the ideals underlying the right behaviour within the social sphere of property relations. A citizen was asked to be virtuous not only in his devotion to the common good and in his engagement in relations of equality and in ruling and being ruled; he also had to be virtuous also in his independence from any relation which might render him corrupt. No such reconciliation was possible as long as virtue was employed in the sense of Spartan military austerity.

model of Swiss republicanism", in N. MacCormick and Zenon Bankowski (eds.): *Enlightenment, rights and revolution: essays in legal and social philosophy*, Aberdeen 1989.

42 *Patriotische Reden, gehalten vor dem hochlöblichen aussern Stande der Stadt Bern*, Berne 1773.

43 *Gesellschaftliche Unterhaltungen patriotischer Freünden*, 2 vols., BBB Mss Hist Helv XXVIII 96 and XIII 161.

44 See David Wootton's introduction to, D. Wootton (ed.): *Republicanism, Liberty, and Commercial Society. 1649–1776*, Stanford 1994; Istvan Hont: "Free-trade and the economic limits to national politics: neo-Machiavellian political economy reconsidered", in John Dunn (ed.): *The economic limits to modern politics*, Cambridge 1990, p. 41–120.

45 See Pocock's article, "Virtue, rights, and manners. A model for historians of political thought" (first published in 1981), in J. G. A. Pocock's *Virtue, Commerce, and History. Essays on Political Thought and History, Chiefly in the Eighteenth Century*, Cambridge 1985, p. 37.

But, Pocock claims, “now it was perceived that such a virtuous citizen was so much of a political and so little of a social animal to be ancient and not modern, ancient to the point of being archaic”⁴⁶.

Pocock, like most intellectual historians who have come to work with this idiom of ‘commercial humanism’ or ‘commercial republicanism’, does not claim that this ideological marriage of virtue and rights was a perfect one. Instead the differences remained as alive as before throughout the eighteenth century. The study of ‘commercial humanism’ is thus the study of the tensions between the political and the economic, between wealth and virtue, or of the limits which an international economy sets upon a nation’s political and moral aspirations, the influence of luxury and of the place and function of purely political virtues for the survival of modern states. It is not accidental that in Pocock’s latest work *Switzerland* is given a much more prominent place⁴⁷. From his house in Lausanne, Edward Gibbon was exposed to some of the most lively debates in Europe on the possibility of constructing a modern republic and could examine at first hand the attempts by Swiss moderate Protestants to formulate a theory of a non-utility based market society, attempts which were widely considered to be at the cutting-edge of Europe’s intellectual life. These Swiss debates, both because of Switzerland’s still strongly felt military past and because of the considerable differences between the political traditions of the individual republics, were amongst the most heated within the European Enlightenment.

Viewed from within this model of ‘commercial humanism’ the question for the Swiss reformers was thus not whether all citizens could become modern Scipios. Such positions of course did exist (especially during the Seven-Years War and then again during the 1790s), but the majority of writers expressed reservations about the relevance of the model of the “*Militär-Klöster zu Sparta*”, as one writer put it, for present problems of the Swiss Confederation⁴⁸. Even Johannes von Müller issued a clear warning of the dangers of toying with the idea of pure politics: “Gott bewahre unsere Republiken vor Patriotismus. [...] Alle unsre Republiken haben Nervenkrankheiten, und ihre lange Ruhe hat ihre Muskeln ganz ossifiziert und das warme Blut, so am Morgarten und vor Murten fürs gemeine Wesen entbrante, erkaltet.”⁴⁹ The same reser-

46 *Ibid.*, p. 48.

47 J. G. A. Pocock: *Barbarism and religion*, 2 vols., Cambridge 1999.

48 Leonhard Meister: “Abhandlung über die Frage: In wie fern ist es schicklich dem Aufwande der Bürger, in einem kleinen Freystaate, dessen Wohlfahrt auf die Handelschaft gegründet ist, Schranken zu setzen?”, in *Ueber die Aufwandgesetze*, Isaak Iselin (ed.), Basel 1781, p. 24.

49 In a letter to Bonstetten from 1775, in E. Bonjour (ed.): *Johannes von Müller. Briefe in Auswahl*, p. 87.

vations about the ideal of austerity were also made by those moderate Swiss Protestants who firmly rejected the Augustinian descriptions of fallen man's thinking as purely utility-based calculation and who tried to find ways to discard evaluations of fallen behaviour as a simple manifestation of concupiscence. Moderate Swiss Christians were keen to rescue luxury from such moral criticism and redescribed it as compatible with virtue provided economic rationality was preserved⁵⁰. The replacement of all luxury through a regime of strict equality and austerity undermined circulation and popular distribution. It would lead, as George Louis Schmid reminded his contemporaries, to economic decline and eventually to the loss of liberty. "Si les fortunes étoient également partagées, chacun ne cultiveroit & ne travailleroit que pour soi: ainsi les productions serient au moins rares & de mauvaise qualité; il n'y auroit ni grande culture, ni manufacture, ni négoce étendu; la population, l'aisance & les forces de la nation disparaîteroient."⁵¹ People like Schmid, de Felice or Iselin made it very clear that the average citizen should stop reminiscing about the heroic deeds of the early Swiss, but instead should aspire to acquire the sort of qualities most conducive to stability and lasting prosperity: frugality, probity, diligence, and a moderate degree of charity. These were the virtues of the *modern* Winkelried⁵².

This did not mean that the more political virtues were to be abandoned. Instead, the debates centred on the questions of, firstly, how much of this 'political patriotism' was needed if Switzerland was not to become something completely different and, in the second place, whether minor virtues like frugality, diligence and perseverance were likely to survive if the political virtues had gone. Answers to these questions varied considerably and did so according to a whole array of differ-

50 Swiss thinkers usually recognised a close connection between the orthodox Christian and republican ideal of austerity and the community of goods, so for example, George Louis Schmid: *Principes de la législation universelle*, 2 vols., Amsterdam 1776, vol. 1, p. 301–302: "Cette idée monacale, réchauffée de tems en tems, ne peut être enfantée que par l'enthousiasme républicain, ou par le fanatisme religieux."

51 *Ibid.*, p. 299.

52 See for example Samuel Hirzel's brief but telling essay "Die Enthaltſamkeit", *Neujahrsblatt der Stadtbibliothek Zürich*, Zürich 1763, p. 7 "Wenn du wie Winkelriedt für deine lieben Mitbürger das Leben nicht lassen kanst, so opfere ihnen wenigstens eine Zierde, eine Bequemlichkeit, ein Vergnügen, eine Reitzung zur Wollust, ein Verderben auf. Beselige sie mit Wohlthaten, unterstütze gute Einrichtungen, gieb den Armen; so wende den Ueberfluss andern zum Nutzen an."; even more explicitly, Peter Ochs: *Geschichte der Stadt und Landschaft Basel*, Berlin/Leipzig 1786–1822, vol. 1, xxvii: "Patriotismus war vor Zeiten jene Tugend, durch welche angefeuert ein *Mutius Scævola* seine Hand, ohne Zeichen des Schmerzens, abbrennen lies; ein Winkelried, an der Spitze seines dreyeckigen Heeres in die feindliche Reuterey stürzte, und dem Vaterland die Freyheit bahnte. Ich zweifle nicht, dass zu unsern Tagen, solche Beyspiele, bey gleichen Umständen, sich erneuern würden. Allein der nämliche Name sollte nicht dergleichen grossmüthigen Handlungen beygelegt werden, und zugleich solchen Verdiensten, die oft nichts anders bestehen, als dass man kein Schurke sey."

ent factors including not only the theological, moral, philosophical, political and economic preferences of individual thinkers but also the internal structure of the cantons to which they belonged. Reform thinkers who were citizens of the large territorial republics especially Zurich and Berne emphasised the minor virtues as necessary ingredients of the structure of a sustainable moral economy outside the city walls⁵³. (H. C. Hirzel's Xenophontean *Die Wirtschaft eines Philosophischen Bauers*, first published in 1761, is a prime example of this⁵⁴.) At the same time they strongly upheld the continuing relevance of genuinely political *mores* for the moral discipline and character of those invested with power and responsibility for upholding the rule of law. A citizen, as N. E. Tschärner confided to his friend Iselin, who lacked the willingness to subject his personal interest to that of the republic continuously was no citizen at all but a mere member of commercial society whose loyalty went no deeper than utility allowed⁵⁵. For Iselin the idea of a purely commercial society was as much of an anathema as it was for someone like Tschärner. Nor did his criticism of the Swiss neo-Spartans entail rejecting the ideals of the political life, the relationship between equals, and self-rule. He certainly had much higher expectations of the moral potential of society and its capacity for distribution than Tschärner, but never claimed that a society based on needs alone could develop or replicate the moral qualities of either political life or of a society of real Christians: men's moral nature required that both spheres of politics and society should be brought together and his famous *Geschichte der Menschheit* can be seen as a vastly ambitious attempt of trying to map out a teleology of the human spirit and liberty. In part, his criticism of the backward-looking (and in many cases more openly sceptical) patriots was a moral critique of patriotism. Patriotism was little more than collective selfishness which lent itself to the worst kinds of arbitrarily determined policies of social distribution. It was also in this vein that the mod-

53 The best recent study of the idiom of household economy and its relevance for modern debates on political economy is William James Booth: *Households. On the moral architecture of the economy*, Ithaca/London 1993; a large bibliography can be found in Alfred Bürgin: *Zur Soziogenese der politischen Ökonomie. Wirtschaftsgeschichtliche und dogmengeschichtliche Betrachtungen*, Marburg 1996.

54 Published in the *Abhandlungen der Naturforschenden Gesellschaft in Zürich*, vol. 1, Zurich 1761, p. 371f.

55 Tschärner uses the somewhat unusual metaphor of a 'political butterfly': "Burger ist, oder ire ich mich, nach ihrem Sinn, der Einwohner einer Stadt, das Glied eines Publicums, das mit dem Körper in keiner Verbindung steht, als durch seinen Eigennutz. Ein politischer Schmetterling, der so bald er sich auf einer Blume vollgesogen hat, einer anderen zufliegt; nach meinem Begrieffe eine Biene; die für den Staat mehr als für sich arbeitet und sorgt, solchem treu bis in den Tod, denselben mit Gefahr ihres Lebens und oft mit dessen Verlust vertheidigt." Letter to Iselin (18. 10. 1777), cited from K. F. Wälchli: *Niklaus Emanuel Tschärner. Ein Berner Magistrat und ökonomischer Patriot. 1724–1794*, Berne 1964, p. 238.

erate Protestant Fortunato Bartolomeo di Felice, in his *Tableau philosophique de la religion Chrétienne* of 1779 singled out patriotism as incompatible with the precepts of real Christianity: “Le patriotisme a toujours été la vertu favorite du genre humain, parce qu’il cache l’intérêt personnel sous le masque de l’esprit publique.”⁵⁶ Iselin’s criticism was also directed at what he took to be the economically disastrous consequences of the patriotism promoted by many of his younger and much richer friends who, from the safety of their stately homes or city dwellings, dreamt of the simple life of morally fulfilled peasants à la *Kleinjogg*. But Iselin’s strict defence of private property was never just a moral argument but also one about reason of state applied to international economic competition, that is, about the need for Switzerland to think continuously about new ways to keep up with the rate of the production cycles of the large European producers⁵⁷. From the late 1750s onwards Iselin together with other Swiss writers worked out a coherent vision of how a modern Switzerland which could live up to traditional standards of social justice *and* be economically competitive (not within the top range of the European luxury market, but in the upper middle range where a highly-skilled, educated and frugal workforce could produce high quality goods at competitive prices). This was also the framework in which Heinrich Pestalozzi set his famous essays of the late 1770s, the *Briefe über die Erziehung der armen Landjugend* or his *Von der Freiheit meiner Vaterstadt!* where he presented the advantages of ‘subjecting the education of the poor to the spirit of industry’ on both moral grounds and reason of state. Turning against the patriotic argument that factory work led to moral corruption and that the goodness of a government could best be measured by the amount of charity it bestowed upon the poor and unemployed, Pestalozzi insisted that the best way of reintegrating the poor into society was to place them under the tutelage of a paternal Christian entrepreneur and turn them into workers. But if work in the textile industry was good for the moral development of orphans and the poor, it was also good for the republic as a whole since it was the training and flexibility of the workforce, he claimed, which would determine whether his home town could keep up with the requirements of a continuously changing fashion industry and fend off the ‘Landesgefahr’ created by foreign economic competition⁵⁸.

56 B. de Felice: *Tableau philosophique de la religion Chrétienne*, 2 vols., Yverdon 1779, vol. 1, p. 43.

57 Typically, Iselin placed the second edition of his *Freimüthige Gedanken über die Entvölkerung unserer Vatterstadt* (Basel 1758), – which in terms of economics was an argument about the population density needed for a sustainable local market – under the heading: ‘*Salus Populi suprema Lex esto*’.

There is a traditional view which sees the history of Swiss society between 1750 and 1850 in terms of a great transition from republicanism to liberalism, from the contained moral economy of the oligarchic *Ancien régime* to the market economy of a modern democratic Switzerland. No one would want to underestimate the political, social, and economic changes that occurred during this period. Yet it would be equally mistaken to downplay the strong continuity which marked the eighteenth- and nineteenth-century Swiss intellectual tradition, especially because doing so prevents us from seeing what the original contribution of the Swiss to the history of political economy was. It is thus important to realise that what makes the Swiss case so interesting (from the perspective of the history of European political economy) is not the fact that there was a group of staunch defenders of republican virtue who held quasi-isolationist views. Instead what makes Switzerland stand out is the fact that it had a republican tradition which managed to transform itself within this Christian commercial framework and that it successfully integrated the main tenants of the larger European debate on political economy into its own debates about republican reform.

From the end of the eighteenth-century onwards, when it became clear that the large monarchical states of Europe (even agrarian reform monarchies like Sweden and Denmark) were unable to withstand the pressure of the new economy and had failed to construct the Smithean synthesis of natural liberty and politics, Switzerland became the centre of attention within the European reform movement. It is thus no accident that it was from the Swiss Confederation that many of the leading liberal thinkers at the time, including Benjamin Constant, Etienne Clavière, Etienne Dumont, or Philipp Albert Stapfer emerged. Most of these writers self-consciously placed themselves within the eighteenth-century Swiss moderate Protestant reform movement. Sismonde de Sismondi, who has been regarded either as a forerunner of state socialism or during the 1920s and 1930s as a welfare economist, is now increasingly read within his Genevan republican setting with a renewed emphasis on the importance of his historical work, the *Histoire des républiques italiennes du Moyen Âge* for the understanding of the structure of his critique of a purely market economy⁵⁸. This applies too to someone like Karl Ludwig von Haller. The clash between Haller and Hegel is often portrayed as a dispute between two visions situated at opposite poles of

58 "Aufsätze über die Armenanstalten auf dem Neuhof. 1775–1778", and "Von der Freiheit meiner Vaterstadt!" (1779), both in Heinrich Pestalozzi: *Schriften. Aus den Jahren 1765–1783*, Winterthur 1945.

59 First published in Zurich 1807–1815.

the spectrum of post-revolutionary European ideology. While Hegel is the young Christian who exposes the Bernese oligarchy and sympathises with the French revolution, Haller is presented in the role of the arch-conservative, calling for an unmitigated return to the feudal Europe of the middle ages. This is obviously false and it is a mistake to want to construct the difference between the two along this particular axis. Haller was not the textbook conservative he is often made out to be, nor was he in the diametrically opposite camp to Hegel. They both rejected the modern liberal state; they both wanted to recapture the distributive mechanisms of the old Europe, and they both believed that small city-states like Württemberg and Berne had traditionally done a much better job of administering social justice and containing the economic consequences of inequality than the large commercial monarchies. Both of them argued from the perspective of their own political and social background. Haller for one repeatedly pointed out in his *Restauration der Staats-Wissenschaft* that none of his work could be properly understood if one failed to recognise the specificities of the political traditions in which he had grown up⁶⁰. When Haller appealed for a return to the household economy or 'real economy', as he called it (as opposed to the 'false', amoral liberal economy), he did so from a Bernese standpoint and in direct continuation of a deeply entrenched Bernese tradition of viewing the relation between the sovereign council of two hundred and the remaining citizens and subjects along firmly Aristotelian lines, as one that existed between father and family and servants, between the housefather and the household or *oikos*. But Haller, one might argue, was so Bernese and Berne for that matter so special within Europe that even Hegel looking from Württemberg failed to grasp the common ground.

The appeal which this reformed Swiss commercial republicanism had for post-revolutionary Europe was especially apparent in the success of the various Swiss educational programs and institutions which attracted the attention not only of those circles who wished to continue with the pre-revolutionary projects of patriotic monarchism or democratic monarchism but also of those who saw the future of a peaceful Europe in the development of socialism. At his Hofwil Institute, Philipp Emanuel von Fellenberg (the son of the founder of the original Bernese *Patriotic Society*, Daniel von Fellenberg) educated a whole string of German and Russian princes and other members of the European high aristocracy as well as the sons of Robert Owen, the founder of New Lanark. The Swiss

60 Carl Ludwig von Haller: *Restauration der Staats-Wissenschaft oder Theorie des natürlich-geselligen Zustands; der Chimäre des künstlich-bürgerlichen entgegengesetzt*, 6 vols., Winterthur 1816–1834.

economic and political reform movement of the early nineteenth century could thus build on an already existing Swiss debate about republican reform which stretched back to the 1750s and had been kept alive under various guises almost without interruption. When Albert Galeer, the chief ideologue of the *Grütliverein*, called for the creation of a *moralischer Volksbund* to generate ties of friendship amongst all Swiss citizens irrespective of their religion, social status, level of education or financial situation, he was essentially continuing Iselin's initial project of the *Helvetische Gesellschaft* and echoing the language of eighteenth-century Christian commercial republicanism. Galeer's *Volksbund* or 'moralisches Schweizer-Parlament' was no more than the ethical state, the *polis*, which, he argued, had to be superimposed on the already existing civil state if the Swiss were to secure their political and legislative achievements and lay the foundation of a state of real liberty⁶¹. Many mid nineteenth-century foreign observers, when trying to explain how Switzerland had managed to continue with political reforms while maintaining a comparatively high degree of social peace *and* developing its economy, saw the answer once again in Switzerland's long experience in republican political economy. While in the large monarchies any attempt to recapture and implement the traditional Enlightenment political economy project of high wages and popular consumption was quickly smothered under the weight of military expenditure and rising taxation, the Swiss republics continued to remain debt-free. They still had no standing armies or courts to pay for and had already developed new forms of social welfare while keeping many of the old ones intact⁶².

The fact that Switzerland could rely on a largely intact pre-revolutionary cluster of social welfare institutions while constantly creating new ones meant (so it was often argued), that Switzerland presented a unique case in Europe in which the economy had gone almost immediately from a state of capitalism to welfare liberalism. It was also on these grounds that the jurist Johann Caspar Bluntschli could downplay the 'purely economic' vision of communism as a largely foreign import with few implications for Swiss circumstances⁶³. Such comments were

61 Albert Galeer: *Der moralische Volksbund und die freie Schweizerische Männerschule, oder der Grütliverein*, Zweite, von J. K. Wilhelm durchsehene und vermehrte Auflage, Berne 1864.

62 Good examples are John Bowring's report on post-Napoleonic Switzerland: *Bericht an das Englische Parlament über den Handel, die Fabriken und Gewerbe der Schweiz* (Nach der offiziellen Ausgabe aus dem Englischen übersetzt), Zurich 1837; and G. F. Kolb: *Handbuch der vergleichenden Statistik – der Völkerzustands- und Staatenkunde – Für den allgemeinen praktischen Gebrauch*, Leipzig 1860, esp. p. 291f.

63 J. C. Bluntschli: *Die Kommunisten in der Schweiz nach den bei Weiting vorgefundenen Papieren*, Zurich 1843; for example p. 14–15: "Der Gemeindeverband macht es unmöglich, dass

frequent⁶⁴. The German refugee Georg Friedrich Kolb insisted, “Es findet sich kein Land, das weniger Boden böte für communistische Pläne, als gerade die Schweiz.” Even the most radical of the Swiss was in fact an ‘arch-conservative’ meaning that any plan to abolish private property was bound to fail⁶⁵. While Ludwig Simon in his political memoirs *Aus dem Exil* of 1855, described Switzerland’s commercial republicanism as the nemesis of Marx and Engels’ hopes for a communist revolution because it prevented the destructive dynamics of capitalism from undermining politics in the way that it had done and would continue to do within the large European monarchies⁶⁶. Observing Switzerland and the ways in which the Swiss adapted their political settings to newly forming social and economic pressures remained a prominent feature of nineteenth-century European liberal political economy.

It is in Switzerland’s eighteenth- and nineteenth-century politics and its tradition of writing about the political ramifications needed for preventing ‘liberalism’ from becoming ‘capitalism’ that we can find the contribution by Swiss thinkers to the European history of political economy. Oncken was clearly right to argue that Swiss thinkers made little contribution to nineteenth-century economics. But what he should have seen (especially since he himself was committed to treat political

ein einheimischer Armer ganz ohne Unterstützung bleibe. Für das äusserste Bedürfniss ist immer gesorgt. Und zudem ist das Eigenthum so sehr vertheilt, dass wir verhältnissmässig wenige Eigenthumslose und sehr wenige, nach den Begriffen mancher Länder, keine Reiche unter uns haben. Auch der kleine Eigenthümer liebt aber sein Eigenthum und gibt es nicht mehr her für abstrakte Lehren. Und selbst, wer kein Eigenthum hat, aber ein ehrlicher Mann und ächter Schweizer ist, der liebt es, in ehrenhafter Weise Eigenthum zu erwerben. Dieser nationale Charakterzug kann die Schweiz vor der praktischen Gefährlichkeit des Kommunismus bewahren.”

64 See Werner Näf (ed.): *Deutschland und die Schweiz in ihren kulturellen und politischen Beziehungen während der ersten Hälfte des 19. Jahrhunderts*, Berne 1936.

65 Georg Friedrich Kolb: *Die Schweiz in ihren bürgerlichen und politischen Zuständen, ihren finanziellen, militärischen, Gewerbs- und Handelsverhältnissen. Für Einheimische und Fremde*, Zurich 1858, p. 62; see also p. 131.

66 Ludwig Simon: *Aus dem Exil*, vol. 1, Giessen 1855, p. 89–90, “Zum Schluss erlaube man mir eine Mittheilung aus der politisch-ökonomischen Revue des Jahres 1850 von Marx und Engels, welche die volkswirtschaftliche Lage der Schweiz vortrefflich charakterisiert. Dasselbst heisst es: ‘Könnte Deutschland sich jemals in ein solches Arkadien (wie in die Schweiz) verwandeln, so wäre es damit auf einer Stufe der Erniedrigung angekommen, von der es bisher selbst in seinen schmachvollsten Zeiten keine Ahnung hatte! Wenig Reichthum, wenig Armuth, lauter Mittelmässigkeit, – kein Fürst, keine Civiliste, keine stehende Armee, fast keine Steuern, keine socialen Collisionen zwischen Millionairen und Proletariern u.s.w.’ [...] Nichts ist ihnen verhasster als jene ausgleichenden Wirkungen zwischen Freiheit und Gerechtigkeit, welche es nicht zu Collisionen zwischen Bettlern und Millionairen kommen lassen.” The recently published ‘Adresse’ which the Belgian *Société démocratique* sent to the Federal Diet in December 1847 suggests that Marx, who in his capacity of vice-president signed the letter, thought at that point of his intellectual career that it was still possible to contain the tensions within political economy by means of politics. As the editors point out, there is little material to sustain this suggestion. See Peter Huber, Josef Lang (eds.): *Solidarität mit der schweizerischen Revolution. Die deutsche ‘Adressen’-Bewegung 1847–1848*, Zurich 1998.

economy as political science) was that it was within the field of politics that Switzerland was really innovative and that to understand what had happened to eighteenth-century Swiss debates on political economy one had to study the works of Switzerland's nineteenth-century political thinkers. What mattered for the understanding of Swiss political economy in the nineteenth century and of how it related to that of other European nations was less A.-E. Cherbuliez' technical economics, but J. C. Bluntschli's state theory, Johann Jakob Treichler and Karl Bürkli's writings on the 'republicanisation of industry' by means of co-operative producers' associations or Charles Secrétan's writings on social liberalism and, in particular, international labour law agreements (where Switzerland had taken a leading role), to give just three examples. Switzerland represents the paradigm for the most continuous and 'organic' developmental path between the *Ancien* and the *Nouveau régime* of Europe, one which was not disturbed by the momentous revolutions against monarchical governments, nor by the problems caused by the emerging imperialism of the larger European nations. In this respect, Switzerland has been the only sustained European experiment in the development of a modern republican political economy.