Modern History Sourcebook:
**Jean-Baptiste Colbert (1619-1683):
Memorandum on Trade, 1664**

*Colbert from 1661 was for more than twenty years of responsible for the finances of France. He believed that material prosperity would raise the yield of taxes but that this prosperity would grow only with a managed economy: that is, with the mercantilistic encouragement of native industries and exports and the discouragement of imports from abroad. His memorandum to Louis XIV on trade (1664) summarized two generations of similar advice, using even statistics from pamphlet literature published fifty years earlier. Colbert's memorandum also shows how any practical application depended entirely on the support of the king.*

*Sire, it pleases Your Majesty to give some hours of his attention to the establishment, or rather the re-establishment of trade in his kingdom. This is a matter that purely concerns the welfare of his subjects but that cannot procure Your Majesty any advantage except for the future, after it has brought abundance and riches among his people. On the contrary, [the subject of trade] being unattractive in itself, Your Majesty will find it disagreeable to hear it discussed often, and, moreover, [efforts to re-establish) it will even lead to a decrease in current revenues. [For all these reasons] it is certain, Sire, that through Your Majesty's sacrifice of two things so dear and important to kings-one, the time that [Your Majesty] could use for his amusements or other pleasanter matters, the other, his revenue-[Your Majesty] by these unexampled proofs of his love for his people will infinitely increase the veneration and respect of his subjects and the admiration of foreigners.*

*Having discussed the reasons for and against the King's making efforts to reestablish trade, it will be well to examine in detail the condition to which trade was reduced when His Majesty took the government into his own hands [ 166 1 J.*

*As for internal trade and trade between [French] ports:*

*The manufacture of cloths and serges and other textiles of this kind, paper goods, ironware, silks, linens, soaps, and generally all other manufactures were and are almost entirely ruined.*

*The Dutch have inhibited them all and bring us these same manufactures, drawing from us in exchange the commodities they want for their own consumption and re-export. If these manufactures were well re-established, not only would we have enough for our own needs, so that the Dutch would have to pay us in cash for the commodities they desire, but we would even have enough to send abroad, which would also bring us returns in money-and that, in one word, is the only aim of trade and the sole means of increasing the greatness and power of this State.*

*As for trade by sea, whether among French ports or with foreign countries, it is certain that, even for the former, since in all French ports together only two hundred to three hundred ships belong to the subjects of the King, the Dutch draw from the kingdom every year, according to an exact accounting that has been made, four million UvresI for this carrying trade, which they take away in commodities. Since they absolutely need these commodities, they would be obliged to pay us this money in cash if we had enough ships for our own carrying trade.*

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*As for foreign trade:*

*It is certain that except for a few ships from Marseilles that go to the Levant [the eastern Mediterranean], maritime trade in the kingdom does not exist, to the point that for the French West Indies one-hundred-fifty Dutch vessels take care of all the trade, carry there the foodstuffs that grow in Germany and the goods manufactured by themselves, and carry back sugar, tobacco, dyestuffs, which they [the Dutch] take home, where they pay customs duty on entry, have [the commodities] processed, pay export duties, and bring them back to us; and 'the value of these goods amounts to two million Uvres every year, in return for which they take away what they need of our manufactures. Instead, if we ran our own West Indies trade, they would be obliged to bring us these two million in hard cash.*

*Having summarized the condition of domestic and foreign trade, it will perhaps not be inappropriate to say a few words about the advantages of trade.*

*I believe everyone will easily agree to this principle, that only the abundance of money in a State makes the difference in its greatness and power.*

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*Aside from the advantages that the entry of a greater quantity of cash into the kingdom will produce, it is certain that, thanks to the manufactures, a million people who now languish in idleness will be able to earn a living. An equally considerable number will earn their living by navigation and in the seaports.*

*The almost infinite increase in the number of [French] ships will multiply to the same degree the greatness and power of the State.*

*These, in my opinion, are the goals that should be the aim of the King's efforts and of his goodness and love for his people.*

*The means proposed for reaching these goals are:*

*To make His Majesty's resolution known to all by a decree of the Council ton Commerce] meeting in the presence of His Majesty, publicized by circular letters.*

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*To revive all the regulations in the kingdom for the re-establishment of manufactures.*

*To examine all import and export duties, and exempt raw materials and [domestic] manufactures ....*

*Annually to spend a considerable sum for the re-establishment of manufactures and for the good of trade, according to resolutions that will be taken in Council.*

*Similarly for navigation, to pay rewards to all those persons who buy or build new ships or who undertake long-distance voyages.*

*Source:*

*Jean-Baptiste Colbert, Lettres, Instructions et Memoires de Colbert, vol. 2, ed. P. Clement (Paris: Librairie Imperiale, 1863), pp. 263, 268-71. Translated by Ruth Kleinman in Core Four Sourcebook*