

Leibniz's first writing on 'Society and Economy'

Lyndon H. LaRouche, Jr., in his book *So, You Wish to Learn All About Economics?* (New York, the New Benjamin Franklin House, 1984) wrote that Gottfried Wilhelm Leibniz (1646-1716) was the "first economic scientist, in the strict modern sense of science." We reproduce here Leibniz's earliest writing on political economy, the essay "Society and Economy" written in 1671. The translation from the German edition, is by John Chambliss.

Monopoly is avoided, since this Society always desires to give commodities at their fair price, or even more cheaply in many cases, by causing manufactured goods to be produced locally rather than having them imported. It will especially preclude the formation of any monopoly of merchants or a cartel of artisans, along with any excessive accumulation of wealth by the merchants or excessive poverty of the artisans—which is particularly the case in Holland, where the majority of merchants are riding high, whereas the artisans are kept in continual poverty and toil. This is harmful to the republic, since even Aristotle maintains that artisanship ought to be one of the worthiest occupations. *Nam Mercaturis transfert tantum, Manufactura gignit.* [For trade can carry only as much as the factories produce.] And why, indeed, should so many people be poor and miserable for the benefit of such a small handful? After all, is not the entire purpose of Society to release the artisan from his misery? The farmer is not in need, since he is sure of his bread, and the merchant has more than enough. The remaining people are either destitute or government servants. Society can likewise satisfy all the farmer's own needs, providing it always buys from him at a reliably fair price, whether that be cheap or dear. We can thereby ensure for all eternity against natural food shortages, since Society can then have what amounts to a general grain reserve.

Through establishment of such a Society, we eliminate a deep-seated drawback within many republics, which consists in allowing each and all to sustain themselves as they please, allowing one individual to become rich at the expense of a hundred others, or allowing him to collapse, dragging down with him the hundreds who have put themselves under his care. An individual may or may not ruin his own family, and then may or may not run through his own and others' funds.

Objection: Should money be invested in other countries? By no means. Each country shall, on the contrary, supply

itself with those necessary commodities and manufactured goods which previously came from abroad, so that it will not have to procure from others what it can have for itself; each country shall be shown how properly to use its own domestic resources. In a country which has sufficient wool, manufacturing shall be established for the preparation of cloth; a country with an abundance of flax shall occupy its populace with the production of clothing; and so forth. And thus no country among those which permit Society the proper degree of freedom, will be favored over the other; rather, each shall be made to flourish in those areas in which God and Nature have allowed it to excel.

Manufacturing, therefore, shall always take place at the commodities' point of origin; whereas commerce, in accordance with its nature, shall be located at the rivers and oceans—an arrangement which only becomes disrupted (manufacturing being placed near commercial centers, far from its raw materials) when the necessary Society and cohesiveness is lacking in many locations, especially where there are no republics.

A great drawback of many republics and countries is that many places have more scholars (not to mention idle people) than they have artisans. But this Society has something for everyone to do, and it needs its scholars for continual conferences and joyous discoveries. This Society can have others adopt the profession of assuming responsibility for providing for unfortunates—e.g., the confinement of criminals, which is of great benefit to the republic.

One might object that artisans today work out of necessity; if all their needs were satisfied, then they would do no work at all. I, however, maintain the contrary, that they would be glad to do more than they now do out of necessity. For, first of all, if a man is unsure of his sustenance, he has neither the heart nor the spirit for anything, will only produce as much as he expects to sell (which is not very much given his few customers), concerns himself with trivialities, and does not have the heart to undertake anything new and important. He thus earns little, must often drink to excess merely in order to dull his own sense of desperation and drown his sorrows, and is tormented by the malice of his journeymen. But it will be different there: Each will be glad to work, because he knows what he has to do. Never will he be involuntarily idle, as he is now, since no one will work for himself, but rather jointly; and if one has too much and the other not



Munich, Alte Pinakotek



In 17th-century Holland, a few merchants became fabulously rich (like Willem van Heythuysen, left, portrayed by Frans Hals), while ever-growing numbers of artisans were reduced to beggary (as in Rembrandt's etching). Leibniz (above) criticized this "free market" model of economy.



enough, then one will give to the other. On the other hand, no artisan will be suddenly obliged—as he sometimes is now—to torture himself and his men half to death with excessive work, since the amount of work will always remain more or less the same. The journeymen will work together, joyously vying with one another in the public factories, the masters themselves taking care of the work that requires more understanding. No master need be annoyed that an intelligent journeyman might desire to become a master himself, for how does this harm the master? Journeymen's room, board, and necessities will be provided free to all workers. No master will need to worry about how he is to provide for his children or marry them off respectably. The education of children will be taken care of by Society; parents shall be relieved of the task of educating their own children: All children, while they are small, shall be rigorously brought up by women in public facilities. And scrupulous attention will be paid that they do not become overcrowded, are kept clean, and that no diseases arise. How could anyone live more happily than that? Artisans will work together happily in the company's large rooms, singing and conversing, except for those whose work requires more concentration.

Most of the work will be done in the morning. Pains will be taken to provide for pleasures other than drinking—for example, discussions of their craft and the telling of all sorts

of funny stories, whereby they must be provided with something to quench their thirst, such as *acida*. There is no greater pleasure for a thoughtful man, or indeed for any man once he becomes accustomed, than being in a company where pleasant and useful things are being discussed; and thus every group, including the artisans, should have someone to write down any useful remarks that may be made. But the Society's highest rule shall be to foster true love and trustfulness among its members, and not to express anything irritating, scornful, or insulting to others. Indeed, even rulers should eschew all insults unless nothing else is effective, since such behavior precludes the establishment of trust. No man shall be derided for a mistake, even if it be a serious one; rather, he should be gently admonished in a brotherly way, and at the same time, immediately and appropriately punished. Punishment shall consist in increased and heavier work, such as making a master work like a journeyman, or a journeyman like an apprentice.

The moral virtues shall be promulgated to their utmost and, as far as possible, according to the principle *Octavii Pisani per gradus* [of Octavius Pisa, by steps]. If it is observed that two people cannot settle their own dispute, they shall be separated. Lies will also be punished. *Sed haec non omnia statim initio publicanda*. [Let this, even though uncompleted, be published as a beginning.]