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DOI

[10.18352/emlc.8](https://doi.org/10.18352/emlc.8)

Publication date

2017

Document Version

Final published version

Published in

Early Modern Low Countries

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Citation for published version (APA):

Weber, L. (2017). Predicting the Bankruptcy of England: David Hume's Political Discourses and the Dutch Debate on National Debt in the Eighteenth Century. *Early Modern Low Countries*, 1(1), 135–155. <https://doi.org/10.18352/emlc.8>

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Predicting the Bankruptcy of England

David Hume's Political Discourses and the Dutch Debate on National Debt in the Eighteenth Century

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Abstract

Although intellectual historians have long established that the evolution of national debt had a decisive impact on early-modern political discourse, the Dutch case has yet to be understood. This article uses the reception of David Hume's *Political Discourses* as an illustration of a broader debate in the Dutch Republic. Due to the peculiar financial situation of The Netherlands in the eighteenth century, the Dutch discourse on public credit did not display anxiety about the debts of the provinces or the union but rather scrutinised the creditworthiness of Britain and, to a lesser extent, France, and discussed the Republic's role within a changing Europe. The article argues that an anonymous Dutch translator strategically intervened in an ongoing debate by transforming Hume's original scepticism about the viability of Britain's financial situation into the prediction of an inevitable bankruptcy. Investigating the reception of the famous essay 'Of Public Credit' in Dutch journals and pamphlets, it shows how both the essay's content and Hume's reputation as a deep-thinking 'Englishman' were utilised to disseminate the warning and address Dutch investors.

Keywords: financial revolution, intellectual history, translations, Enlightenment

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Introduction

The evolution of national debt constituted a turning point in early modern political discourse. Since public credit enabled eighteenth-century governments to raise money on an unprecedented scale, it became a decisive factor in the increasingly expensive and fierce geopolitical competition for power and markets. The new system of war finance also raised pressing concerns about its political, economic, and social consequences. While public credit entailed and preserved political representation, contemporaries were concerned that the existence of a standing army, the increased potential for corruption, and the possibility of a state bankruptcy threatened national security. Similarly, the economic prosperity underlying a country's creditworthiness was considered to be undermined: the rising taxes and duties necessary to service the growing debt increased the price of labour and manufactured goods and thus lowered the country's competitiveness in international markets. The social consequences, likewise, caused anxiety as national debt gave rise to a new form of property, which was mobile and insecure, and a new interest group, the public creditors.

Intellectual historians have demonstrated that the uncertainty and ambivalence caused by the evolution of public credit also led to the formulation of reform proposals that aimed to prevent potential collapse and destruction. Especially in the second half of the eighteenth century, political thinkers tried to find correctives for the perceived political, economic, and social distortions caused by the national debt system. Scholarly attention has mainly been paid to the two major rival powers in Europe, Britain and France. In the British Isles, the so-called financial revolution caused the revival of classical republicanism as an expression of discontent that was, during the second half of the eighteenth century, effectively countered by the Scottish Enlightenment's political economy. In France, attempts to realise the potential of public credit without also suffering from its risks fed into the intellectual origins of the Revolution.²

¹ I am grateful to Wyger Velema and Lisa Kattenberg for their useful comments on this contribution. The two reviewers have helped significantly to give the article its current shape. I am also indebted to Thomas Maissen and Inger Leemans for their critical discussion of earlier versions of the argument.

² Pocock, *The Machiavellian Moment*; Idem, 'The Machiavellian Moment Revisited'; Idem, *Virtue, Commerce, and History*; Hont, *Jealousy of Trade*; Sonenscher, *Before the Deluge*.

While the British and French debates about the consequences of national debt have been well studied, much less is known about the Dutch case. This is surprising given the fact that The Netherlands was the first country to establish something like a territorial national debt by public borrowing: already in the sixteenth century the provinces and, to a lesser extent, the union systematically raised long-term loans through public subscriptions.³ While prosperous merchants continued to support their provincial and union debts at low interest rates, they increasingly invested their abundant capital in foreign government loans during the eighteenth century, when the Republic gradually lost its former primacy in international trade.

Due to this unique situation, the accompanying debate about national debt in The Netherlands differed significantly from its British and French counterparts. Dutch authors did not consider their domestic debt as a threat to national security. By contrast, they regarded it as necessary for the Republic's self-preservation and prosperity: while it had supported the country in its struggle for independence against Spain, the debt also offered wealthy inhabitants an investment opportunity that prevented their money from leaving the country. Even though the Dutch government deliberately restricted knowledge about the state of the provincial and union debts, contemporary authors did not question their own country's creditworthiness.⁴ They rather scrutinised foreign governments' credit standing, especially that of Great Britain. During the second half of the eighteenth century in particular, Dutch writers were concerned that citizens' investments exposed the Republic to the risk of a sudden failure of the European debt system.

These concerns are clearly reflected in the Dutch reception of David Hume's *Political Discourses*. While this collection of essays was translated and disseminated by French, Italian, and German economic reformers wishing to emulate Britain's commercial success, its reception in The Netherlands concentrated on Hume's apprehensions about the future of Great Britain.⁵ This article will show how both the content of the Scottish philosopher's essay 'Of Public Credit' and his reputation as an 'intelligent Englishman'⁶ were used strategically in a debate on public credit, international finance, and Dutch investors. Applying the methodology of intellectual historians such as Oz-Salzberger, Velema, and Nijenhuis,⁷ this article will consider translation as a process of adapting an original text to a target

3 Tracy, *Financial Revolution*; Dormans, *Het tekort*.

4 Dormans, *Het tekort*, 186-192.

5 Venturi, 'Scottish Echoes'; Hont, 'The "Rich Country-Poor Country" Debate Revisited'; Charles, 'French "New Politics"'. Though the reception of Hume in Germany has, up to now, not been exhaustively investigated, the hints given by Gawlick and Kreimendahl point in a similar direction: Gawlick and Kreimendahl, *Hume*, 23, 164. This interpretation of translation as a means for emulation has recently been taken up to explain translations of other economic texts as well: Reinert, *Translating Empire*; Nijenhuis, 'For the Sake of the Republic'. The Dutch translation of Hume's *Political Discourses* has hitherto been mentioned in one footnote and a Master's thesis: Nijenhuis, *Een Joodse Filosoof*, 142; Prins, *Hume genoemd*.

6 *Vaderlandsche letter-oefeningen* 4/1 (Amsterdam: Albert van der Kroe, Jacob Yntema, Jacob Tiebol, 1764), 287 and 290.

7 Oz-Salzberger, *Translating the Enlightenment*; Velema, *Republicans*, 93-114; Nijenhuis, 'For the Sake'. It should be emphasized that I do not think Dutch readings of Hume's *Political Discourses* should be characterised as 'misreceptions', the term Oz-Salzberger has applied to the German adaptations/translations of Adam Ferguson.

culture by linguistic and cultural alterations, and understand reception as a discussion of ideas and texts. A major advantage of this approach is that it allows a detailed historical investigation of how a receiving political culture used and reacted to a particular text.

Although the economic development of Dutch investments in British government stock is an essential context for my subject, this article does not aim to explain this phenomenon as such. Rather, it investigates the reception of Hume's *Political Discourses* to reveal how contemporaries recognised and conceptualised Dutch foreign investments. In the following, I will first outline the evolution of Britain's national debt and Dutch investments therein, together with the accompanying debate. A second section briefly examines Hume's essay 'Of Public Credit' and analyses the alterations made in the Dutch translation. From this, two issues arise: first, the function of Hume's warning in the Dutch debate on modern state finance; and second, the contemporary assessment of Dutch investments in foreign government debt. The conclusion reflects upon the implications of this case study for a wider Dutch debate on British fiscal policies, international finance in general, and the Republic's role within a changing world.

Dutch Investments in Britain's National Debt

From the very onset of the so-called financial revolution in England, the Dutch participated in this new investment opportunity. In the 1690s, William III introduced a new way of financing military expenses based on public credit. The novelty lay in certain revenues being earmarked to pay the interest for a new loan. Since the authority to raise new taxes to generate this revenue was assigned to Parliament, it was Parliament which assumed the legislative responsibility for public finances. This allowed the English and, after 1707, the British government to contract debts over a longer term and at a lower interest rate than before. The loans were issued through, and administered by, three big joint stock companies: the Bank of England, the East India Company, and the South Sea Company.

At first, Dutch ownership of British stock was confined to wealthy merchants in Amsterdam, including Sephardic Jews and Huguenots. Investments grew steadily and reached an estimated 100 million guilders by the middle of the eighteenth century. By then, stock was also held by charitable institutions, although individuals remained more important. While most private investments continued to be made by prosperous merchants based in Amsterdam, a growing percentage of investors were women (including spinsters and widows) and middle-strata professionals (such as lawyers, shopkeepers, and officeholders) in the provinces. In order to participate in Britain's national debt, an investor in The Netherlands could either employ an attorney from the Dutch community in London or use the 'stock exchange' in Amsterdam, where shares of the Bank of England, the East India Company, and the South Sea Company were traded.⁸

⁸ The classic accounts of the financial relationship between Great Britain and the Dutch Republic are: Wilson, *Anglo-Dutch Commerce*; Dickson, *The Financial Revolution*; Carter, *Getting, Spending and Investing*; Riley, *International Government Finance*; Neal, *The Rise of Financial Capitalism*.

During the second half of the eighteenth century, Dutch participation in British securities continued to grow. After Dutch holdings of British stock reached their peak at about 200 million guilders in the late 1760s, foreign investments became more diversified: while British stock remained important, Dutch investors increasingly also supported plantation loans and the government debt of states such as Sweden, Denmark–Norway, and, from the 1780s onwards, France and the United States.⁹

The actual Dutch share in Britain's national debt remains difficult to assess. Although sufficient reliable data for a general outline is lacking, there is a benchmark for 1750: Peter Dickson estimated that foreign investments accounted for almost 20 percent of Britain's national debt, of which just under 80 percent came from The Netherlands.¹⁰ Since this article concentrates on perception and debate, however, the question of contemporary estimates of Dutch participation in British stock is more relevant. Such estimates are readily available, and generally assign a much greater share to the Dutch. Thus, an anonymous pamphleteer in 1756 claimed that one-fourth of Britain's debt was owed to Dutchmen. In 1777, Lodewijk Theodorus van Nassau La Leck published a list purportedly compiled by British Prime Minister Lord North, which suggested that the Dutch held almost 43 percent of Britain's national debt.¹¹ Leaving aside discussion of the trustworthiness of these authors' information – historians have rightly called their reliability into question –¹² it is noteworthy that these estimates were published, disseminated, and used in an ongoing debate about Dutch investments in Britain's national debt.

Only a general outline of this debate can be given here. With the beginning of Dutch investments in the evolving national debt of Great Britain in the 1690s, pamphlets, essays, poems, and songs appeared that aimed at a broad Dutch audience and tried to shape public opinion about this financial relationship. Although most participants remained anonymous, some of them are well-known authors, such as Isaac de Pinto or Joan Derk van der Capellen tot den Pol.

Both defenders and attackers of the investments concentrated on Britain's public credit, understood as the reflection of its political willingness and economic ability to honour its national debt, and the consequences of Dutch investments in British stock for the Republic as whole. Proponents tried to encourage potential investors by presenting Britain as stable, reliable, and committed. From their perspective, investments in Britain's debt had both economic and political advantages for the Republic: the secure and high-interest payments by a prosperous debtor circulated within The Netherlands, while financially supporting a powerful ally ensured protection against French aggression. From the War of the Austrian Succession (1740–1748) onwards, opponents increasingly articulated criticisms. They

⁹ In Bochove's overview of Dutch foreign investments, the British share sank from 82 percent in 1770 to 46 percent in 1790: Bochove, *The Economic Consequences*, 130. He also compiled an overview of the estimated Dutch holdings of British stock: Idem, 261–263.

¹⁰ Dickson, *The Financial Revolution*, 324. Dickson used the ledgers for Bank stock, East India shares, and South Sea Annuities in the Bank of England Record Office for this calculation.

¹¹ Batavus, *Rondborstige bedenkingen* (s.l.: s.n., [1756]) (Knuttel Collection nr. 18511), 17; La Leck, Lodewijk Theodorus van Nassau, *Brieven over de Noord–Americaansche onlusten* 6 vols. (Utrecht: G. T. van Paddenburg, 1777) III (Knuttel Collection nr. 19155), 19.

¹² Carter, *Getting, Spending and Investing*, 21f.

focused on discouraging their fellow-citizens from investing in British stock by presenting the island as unstable, vicious, and factious and contrasting it with investment alternatives such as France, America, or Dutch commerce and industry. With both domestic and Anglo–Dutch political tensions rising after the end of the Seven Years’ War (1756–1763), such criticisms became fiercer and increasingly stressed the total amount of Britain’s national debt, highlighting the attendant annual interest payments, and predicting a state bankruptcy.

Both sides of this polarised debate used translations, especially of English texts, to reinforce their arguments. While English writers, in general, had the reputation of being great philosophers,¹³ they were also considered insiders with potential access to sensitive information unavailable to Britain’s continental investors. An appraisal of creditworthiness could gain more authority when it was written by an English author, such as the one who explained in 1710 that public credit in Britain ‘is rightly called National Credit [...]; it originates in the Nation’s probity, the honest and exact honouring of the Nation’s Engagements’.¹⁴ In a similar vein, a text undermining Britain’s credit standing was more authoritative when ‘translated from the English.’ The translation of Richard Price’s *Observations on the Nature of Civil Liberty* in 1776 not only made his political philosophy available to a Dutch readership, but also reiterated his anxiety about the consequences of a loss of the American colonies for Britain: ‘our debts increasing; revenues diminishing; the funds falling; and the entire misery of a common bankruptcy hanging over our heads.’¹⁵

Hume’s ‘Of Public Credit’

Political Discourses by David Hume Esq. first appeared in Edinburgh in 1752. Because of its commercial success, several new editions and translations followed almost immediately.¹⁶ Throughout his lifetime, the Scottish man of letters revised the *Political Discourses* on the level of both rhetoric and content by altering, adding, or deleting paragraphs and entire essays. Overall, the collection took up a historical and cosmopolitan position to deal with the political challenges that a civil society transformed by commerce had to face. Hume aimed to detect general principles and provoke further discussion, rather than proposing specific policy changes.¹⁷ He formulated arguably the most prominent and influential

13 Korpel, “‘Truly and Entirely English’”, 234.

14 ‘Ons Credijt is in dit geval een publyke zaak, en word te regt een Nationaal Credijt genoemd van zommige onzer Schryvers; De bewoordinge wijst de oorspronk aan; het komt van de opregtigheid van de Natien, de eerlyke en deugdelyke volbrenginge van de Engagementen van de Natie.’ [Defoe, Daniel], *Essay of prouwe op’t publique credijt* (Rotterdam: Barent Bos, 1710) (Knuttel Collection nr. 15874), 10.

15 ‘onze schulden grooter wordende; de inkomsten vermindernde; de fondsen aan ’t wankelen; en al de eleneden van eene algemeene bankbreuk over ons hoofd hangende’ Price, Richard, *Aanmerkingen over den aart der burgerlyke vryheid*, Joan Derk van der Capellen tot den Pol trans. (Leiden: Leendert Herdingh, 1776) (Knuttel Collection nr. 19116), 77.

16 An overview of the translations of Hume into various European languages is given by Jones (ed.), *The Reception of Hume*.

17 Harris, *Hume*, 269, 282.

statements about the possibility of a national bankruptcy, though speculations about this prospect of modern state finance were common in the second half of the eighteenth century, after contemporaries had accepted the national debt as a permanent feature of the British state.¹⁸

Hume's argument in the early editions of the essay 'Of Public Credit' goes as follows: whereas the ancients hoarded a cash reserve in the state treasury during peacetime to meet the exigencies of war, modern policy finances wars by mortgaging future revenue in order to take up loans. Though Hume acknowledges that a state gains some commercial advantages by a national debt, he emphasises the disadvantageous political consequences. On the one hand, the domestic order was threatened by the stockholders, who evolved as a new and powerful interest group, and by the sovereign, who became more powerful through the potential to abuse the new possibilities of state finance. On the other hand, the consequences for foreign affairs were much more precarious, since the national debt endangered the very existence of a country within the international state system. Therefore, Hume expresses his scepticism about the sustainability of the new system to finance warfare:

We all own, that the most sanguine imagination cannot hope, either that this or any future ministry will be possess of such rigid and steady frugality, as to make any considerable progress in the payment of our debts, or that the situation of foreign affairs will, for any long time, allow them leisure and tranquillity, sufficient for such an undertaking.¹⁹

Quite to the contrary, so Hume claims, states will take up more and more loans to engage in unnecessary and risky wars for aggrandisement: a situation he likens to cudgel-fighting in a china shop. As a consequence, he expects the burden of the debt to increase rather than to be lightened by paying off or by resorting to any other expedient. Hume reasons that the 'natural progress of things' will lead to one of these two events: 'either the nation must destroy public credit, or public credit will destroy the nation.'²⁰ To illustrate this apprehension about the impact of modern state finance, Hume presents the following scenario: either the creditworthiness of the government has fallen or the money of the people has become exhausted, so that subscriptions to raise money for the annual exigencies are not filled. He examines the two options a government would have if a rebellion or a foreign aggressor endangered the country in such a situation. In the case of a national emergency, the state might be unable to ward off the enemy and both inhabitants and creditors would be rendered dependent on the arbitrary goodwill of a conqueror. Hume calls this outcome the 'violent death of public credit.'²¹ Alternatively, the government could preserve the free constitution by diverting the money that it accumulated in the Exchequer for the regular interest payment to military defence. This breach of public faith, a voluntary bankruptcy, is defined as the 'natural death of public credit.'²²

From Hume's point of view, the state's political obligation towards its citizens clearly overrules both the economic obligation towards creditors and its interest in maintaining

¹⁸ Hoppit, 'Checking the Leviathan', 275; Hont, *Jealousy of Trade*, 87.

¹⁹ Hume, David, *Political Discourses* (Edinburgh: R. Fleming 2nd ed. 1752), 134.

²⁰ *Ibidem*, 135.

²¹ *Ibidem*, 141.

²² *Ibidem*, 138.

a high creditworthiness. Therefore, Hume argues for the option of a voluntary national bankruptcy. To make this alternative seem more attractive, he claims that the 17,000 public creditors would be sacrificed to save the entire population and that public credit would not remain dead for eternity, but revive in as good a condition as before.²³

While 'Of Public Credit' expressed scepticism and alarm about the future of indebted societies, scholars agree that the early editions were still fairly optimistic about the possibility of averting the danger.²⁴ Judging the essay's original version, British contemporaries even concluded that Hume was an advocate of the national debt.²⁵ Hume's reputation as a Jeremiah was, as Istvan Hont has shown, a result of the expansion of the essay after the end of the Seven Years' War.²⁶ In the 1764 edition, 'Of Public Credit' contained Hume's visions of Britain's precarious condition in the near future should the country continue to extravagantly abuse public credit to increase its military strength. The taxes and duties necessary to service the rising national debt would produce 'a degree of despotism which no oriental monarchy has ever yet attained': in this case, the sovereign extracts all property from his subjects through increased taxes. Only the public creditors, a notoriously unpatriotic group, possess any sort of income. Consequently, the social and political middle ranks are ruined, while the power of the king becomes absolute and commerce and industry stagnate. Britain, so Hume assures his reader, is heading towards this unnatural state with 'amazing rapidity'.²⁷ Overall, the revised edition of 'Of Public Credit' conveyed a sense of urgency that had not been expressed in the early versions.

Hume's 'Over het Publyk Crediet'

In 1764, shortly after the severe economic crisis the Dutch Republic had suffered after the end of the Seven Years' War, the *Philosophical and Political Discourses (Wysgeerige en Staatkundige Verhandelingen)* appeared as the first of Hume's works to be translated into Dutch as a whole.²⁸ Like many translations, it was printed by a religious dissenter, the Mennonite publisher and bookseller Kornelis van Tongerlo.²⁹ The translator, as often in this period, remained anonymous, and is still unknown today.

23 Ibidem, 138f. Hume understated the number of public creditors immensely, probably to make a voluntary bankruptcy a more attractive option. Therefore, this number should be seen as part of an argument rather than being studied for its value for gaining reliable data about actual investors, as Carter has tried to do: Carter, *Getting, Spending and Investing*, 18f.

24 Robertson, 'The Scottish Enlightenment', 155; Hont, *Jealousy of Trade*, 340; Harris, *Hume*, 425.

25 Postlethwayt, Malachy, *Great Britain's True System* (London: A. Millar et al., 1757), 213.

26 Hont, *Jealousy of Trade*, 325-353.

27 Hume, David, *Essays and Treatises on Several Subjects*, 2 vols. (London: A. Millar, Edinburgh: A. Kincaird, A. Donaldson, 1764) I, 391-394.

28 It was published again in 1766 in Rotterdam with identical collation though different publishers.

29 Research on the Dutch reception of religious and scientific texts from Britain has shown that religious dissenters were very active in publishing these translations: Boheemen-Saaf, 'The Reception', 13; Zuidervaart, 'Science for the Public', 10.

In an additional preface, the translator ironically discourages two groups of people from reading this book: first, those who have invested most of their property in English funds; and second, those with slow minds. He accuses the former of having ventured their capital imprudently by investing in English funds for the higher interest they might gain in comparison with Dutch stock. To illustrate his concern, the translator employs the image of these investors being contentedly asleep on a shore, which is constantly crumbling away and may dissolve suddenly through a national bankruptcy of England. If they were to read the essay 'Of Public Credit', the investors would wake up and might escape being dragged into utter ruin. But, he contends ironically, they should be left asleep since England's bankruptcy might not happen during their lifetime but later, and thus destroy their children rather than themselves. In addition to the investors, the translator counsels a second group to refrain from reading the *Philosophical and Political Discourses*. He defines the slow-minded as those who are not used to reasoning about things in their proper nature, but confine themselves to superficial thinking and to other people's opinions. In contrast, the translator considers his potential readers to be those of his fellow-citizens who have critical minds and an interest in the common good, such as honest merchants and good regents.³⁰

By starting the text with this explicit instruction to investors, and by grouping them together with the 'enslaved' men of slow minds, the translator in fact dares and directs them to read 'Of Public Credit', in order to convince them of the present danger they are in through their investments in Britain's national debt. This 'reverse encouragement' is reinforced by presenting the investors as acting in accordance with their own self-interest, and by contrasting them with the merchants and regents, who are described as philosophical minds having an interest in improving the well-being of the Republic.

Overall, Hume's translator is remarkably self-reflective about his work. He problematises English concepts that he cannot adequately express in Dutch and explains technical terms that might be unfamiliar to his readership in added footnotes.³¹ Forthrightly, he admits in the preface: 'I translated freely, I acknowledge it, but I think that I have translated well.'³² Both this statement and the practice of altering the original text accord with the contemporary Dutch ideal of translation, which expected the translator to adapt the text to his Dutch audience, both linguistically and culturally.³³

Throughout the book, the translator altered Hume's statements, and added explanations and his own comments. As a consequence of these additions and changes, the translated *Political Discourses*, especially 'Of Public Credit', conveyed an impression very different from Hume's original. Since the translation was most likely based on the second English edition of 1752,³⁴ its basis was the moderate earlier version of Hume's warning about the future of Britain. The translator, however, removed this original cautiousness and turned

³⁰ 'Vorrede' in Hume, David, *Wysgeerige en staatkundige verhandelingen* (Amsterdam: Kornelis van Tongerlo, 1764), iii-iv.

³¹ E.g. when translating 'industry' as *kloekheid*, the translator explained the English term and justified his choice: Ibidem, 16; when using the term 'monopolies' for the first time, he explained its meaning: Ibidem, 145.

³² 'Vorrede' in Ibidem, iv.

³³ Korpel, *Over het nut*, 98-101.

³⁴ Comparing the published text to the several English editions and the French and German translations indicates that it was most probably based on the second English edition from 1752.

Hume's theoretical reasoning into a prophecy of Britain's inevitable and imminent bankruptcy, which he explicitly related to the future of the Dutch Republic. This process can be illustrated by three instances. First, the subtitle that the translator added to 'Of Public Credit' exemplifies an alteration that is not recognisable as such, but would seem (to Dutch readers) to be a passage written by Hume himself. Second, an explanatory remark on Hume's statement that the nation cannot coexist with public credit shows an addition by the translator that he did not explicitly mark as his opinion, which it certainly is. Finally, a long comment on Britain's national debt in a footnote demonstrates how the translator included his own comments in the translation and made this explicit to his reader.

In the Dutch *Philosophical and Political Discourses*, each essay has a subtitle summarising the content. Whereas Hume named his eighth essay simply 'Of Public Credit', the translator expanded it to:

Of Public Credit in General and Especially the Credit of England. That the Debts of a State are Always Disadvantageous to it, Whether one Considers its Internal Condition or its Relation with Other People. – And that England is Neither Able, Nor Ever Will be Able in All Human Probability, to Pay these Debts.³⁵

While Hume was concerned with general principles and, therefore, mainly used the unspecific personal pronouns 'we' and 'us', the Dutch subtitle makes the essay specifically about Britain, for which England stood as *pars pro toto*. The phrase 'always disadvantageous' marginalises the positive consequences Hume considered a national debt to have; explicitly questioning Britain's ability to pay its debts overstates Hume's sceptical attitude to the longevity of peace and frugality that has been outlined above. These adjustments in the subtitle, a prominent place, set the tone for what follows.

This doubting of Britain's financial soundness is also emphasised in the alterations to the main text. The translator uses the famous statement quoted above in which Hume claimed that the nation cannot coexist with public credit: 'One of the two effects must inevitably come about: "The Nation must either destroy public credit, or public credit has to devastate the nation"'. By adding the adverb 'inevitably', the translator emphasises that one of these two events must and will occur. To link this certain ruin to his Dutch readers, he explains the consequences of these alternatives for the Republic by continuing as follows: 'In other words, the English must either sweep away their national debts, or the national debts will ruin us irrecoverably.'³⁶ This explanatory addition thus contends that Great Britain's ruin will certainly devastate the Dutch as well. If Britain cancels its debt by declaring bankruptcy, the Dutch investors will lose their invested money. In the alternative scenario, in which the British state is destroyed by a foreign conqueror, the debts will no longer be

35 'Over het Publyk Crediet in het algemeen, en byzonderlyk het Crediet van Engeland. Dat de Schulden van een Staat altoos nadeelig zyn voor Denzelven, 't zy men deszelfs inwendige Gesteldheid, of de Betrekking met andere Volkeren in aanmerking neemt. – En dat Engeland niet in staat is, nog naar alle Menschelyke waarschyndykheid ooit zal zyn, om deszelfs Schulden te betaalen.' Hume, *Wysgeerige verhandelingen*, 209.

36 'Een van deze twee uitwerkselen namelyk moet 'er onvermydelyk uit geboren worden; "De Natie moet of het Publyk Credit vernietigen, of het Publyk Credit moet de Natie te gronde helpen. Met andere woorden, den Engelschen moeten of hunne Nationaale Schulden uitveegen, of die Nationaale Schulden zullen Ons onherstelbaar bederven".' Ibidem, 229.

serviced. In either case, the Dutch will be affected and, according to the translator, the effects will be pernicious and ruinous.

To explain Hume's statements or expressions that were difficult to render adequately into Dutch, the translator added various small comments to the *Philosophical and Political Discourses*. For instance, where Hume laments the fact that Britain cannot reduce the burden of the national debt by resorting to means used by other countries, the translator makes a further explication in a footnote. He remarked on an important difference between the national debt of Britain and that of The Netherlands: since the Republic has enough money to secure all credit paper, the Dutch can reduce the interest of their debt without the compliance of the creditors. Britain, in contrast, cannot resort to this measure to lower the burden of its national debt since its credit greatly exceeds the real value of the country. If the kingdom wanted to lower the interest of its debt, so the translator explains, creditors would try to convert their investments to cash in order to invest in a more profitable opportunity. In that case, they would soon find that there is not enough money in Britain to actually pay for them and like a chain that fails after one link is damaged everything would break down. Consequently, the translator insists explicitly: 'Away, therefore, at once, with all the credit for this country.'³⁷ Only a complete withdrawal of all Dutch money, he argues, can save the Republic from being dragged down by Britain's inevitable bankruptcy.

Overall, the translator made Hume's scepticism about the viability of Britain's financial stability not only the most prominent topic but also a forecast of imminent breakdown. The fact that Hume was 'an Englishman' strengthened this argument, because Hume critiqued Britain from the inside. Utilising Hume's authority, the translator attempted to create hostility towards Dutch investments in the British national debt and presented a complete disinvestment as the only way to save the Republic from being harmed by Great Britain's inevitable ruin.

Function

Overall, Hume enjoyed a highly ambiguous reputation in the eighteenth-century Dutch Republic. On the one hand, he was mentioned with Aristotle, Plato, Price, Rousseau, Raynal, and Mably, to be praised as a philosopher of natural and civil liberty.³⁸ On the other, Hume was listed with Hobbes, Mandeville, Bolingbroke, and La Mettrie as a moral and religious sceptic.³⁹ Whilst Hume's deism was refuted, his philosophical capability was never questioned and his achievements as philosopher and historian were highly praised.⁴⁰

³⁷ Ibidem, 233.

³⁸ Kluit, Adriaan, *Academische redevoering* (Leiden: Elie Luzac, Jan Hendrik van Damme, 1787), 90.

³⁹ Anonymous, *Verhandelingen, raakende den natuurlyken en geopenbaarden godsdienst* (Haarlem: Johannes Enschedé en zoonen, Jan van Walré, 1787), VII, 17.

⁴⁰ Hume is praised as a historian and philosopher, while he prominently features in the article 'idolatry' (*afgodery*) in Chalmot, Jacques Alexandre de, *Vervolg op M. Noël Chomel. Algemeen huishoudelyk-, natuur-, zedekundig- en konstwoordenboek* (Kampen: Jacques Alexandre de Chalmot, Amsterdam: Jacob Yntema, 1786) I, 152. A Dutch translation of Hume's *History of England* appeared between 1769 and 1774.

Even though the Dutch translation appeared late in comparison with other European translations of the *Political Discourses*, the collection of essays was not unknown in the Republic, which remained an important publishing centre throughout the eighteenth century. In spite of the fact that foreign books were mainly printed to be exported, the two French translations of the *Political Discourses* that appeared in Amsterdam would have been easily accessible to a bilingual Dutch elite.⁴¹ An instance of the early reception of Hume's 'Of Public Credit' is a pamphlet published during the Seven Years' War, in 1758, which evaluates the Republic's situation as creditor to two of the belligerent countries, France and Great Britain. Arguing against the Frenchman Jean-François Melon's claim that a national debt is advantageous for a country since it simply transfers money from one hand of the nation to the other, the pamphleteer refers to 'Of Public Credit'. He repeats Hume's claim that Melon was wrong about the advantageous increase in the money circulation: both the money going abroad (the interest paid to foreign investors) and the increase in taxes (resulting from the national debt) outweigh the asserted advantages in the circulation.⁴² Although this reference to 'Of Public Credit' before the translation of the *Political Discourses* was an exception, it demonstrates that Hume had been used in the Dutch debate on national debt.

Despite the fact that Hume was little known prior to 1764, the translation of his *Political Discourses* was immediately reviewed by Dutch literary reviews.⁴³ Three authoritative journals reprinted the table of contents with the chapter subtitles that the translator had added. They provided moderate and balanced criticism, but refrained from voicing any strong political views, as was usual for reviews in cultural journals. Significantly, all of the three instances continue the translator's special attention to the essay 'Of Public Credit' by printing lengthy quotations and repeating the warning about the precarious situation of Britain's public credit. The prophecy of a looming English bankruptcy asserted its credibility by emphasising that Hume was not only a famous historian but also a 'deep- and free-thinking philosopher'⁴⁴ and 'one of the cleverest minds in England'.⁴⁵ One reviewer even explicitly states that:

never before has any Englishman, any good patriot, and any man of distinction spoken in such an open-hearted manner about the tottering credit of this kingdom and demonstrated so clearly 'that England is

41 The Dutch-reading audience, too, could have known Hume previously. The essays 'Of Love and Marriage', 'Of National Characters', 'Of Avarice', 'Of the Delicacy of Taste and Passion', and 'Of Superstition and Enthusiasm' were translated and published in *De philantrophe. Of menschevriend* 5 (Amsterdam: Kornelis van Tongerlo, Frans Houwtuin, 1761).

42 Anonymous, *Eerste brief van een Hollands koopman* (Leeuwarden: Jacques Alexandre de Chalmot et al., 1758) (Knuttel Collection nr. 18653), 11f.

43 *De letter-historie-konst-en-boek-beschouwer* 12 (Amsterdam: Jacobus Lovering, 1764), 179-181; *Vaderlandsche letter-oefeningen*, 287-302; *Maandelyke uittreksels of de boekzaal der geleerde waerelt* 99 (Amsterdam: Dirk onder der Linden, November 1764), 549-564. The review of the Rotterdam reprint in 1766 focused rather on Hume's theory of taxes, *Republyk der geleerden, of boekzaal van Europa* 12 (Amsterdam: Gerrit Bom en zoon, 1766), 430-445.

44 'den diep- en vry-denkenenden Wysgeer', *De letter-historie-konst-en-boek-beschouwer* 12, 180. Though 'free-thinking' could denote a form of religious heterodoxy, it here means a form of reasoning that is free from prejudices.

45 'een van de schranderste koppen in Engeland', *Vaderlandsche letter-oefeningen* 4/1, 287.

neither able, nor ever will be able in all human probability, to pay these debts; never presented so freely the unavoidable necessity of a soon-to-come bankruptcy that this country will have to declare.⁴⁶

By repeating the translator's preface and extensively quoting the adapted translation of Hume's 'Of Public Credit', these three review journals disseminated the alert about Britain's financial viability. To make this warning seem more credible, they invented the fact that Hume was 'English'.

The following instance demonstrates how both Hume's reputation and the content of his *Political Discourses* functioned in the Dutch debate on national debt. In 1771, the spectatorial periodical *The Merchant (De koopman)* utilised Hume in a series of essays to question Britain's creditworthiness.⁴⁷ Following the conventions of the genre, this journal aimed at improving the morals of its readers and contributing to the cultural dimension of political discourse.⁴⁸ In the third volume, the anonymous author states that David Hume expressed the disadvantages that both the state and investors gain from national debt in the most succinct manner, in contrast to earlier writers such as John Law, Charles Dutot, or Jean-François Melon. Two fictitious characters are presented as having an argument. A 'well-meaning Briton' starts the discussion by asserting that the national debt is advantageous for Britain: the funds improve the circulation of money within the country and Britain, as the richest trading nation in Europe, guarantees a steady revenue to its investors in return. His opinion is countered by a much longer argument by an 'impartial Dutchman' under the following title:

Free thoughts of a free and well-meaning Batavian, on the current condition of England's national debt. And on the great disadvantages these bring to all nations, especially to Hollanders; proving, following the guidance of Mr. Hume, that it is impossible for England, and that it will never, in all human probability, be possible, to ever pay these debts.⁴⁹

To provide arguments for this thesis, the essay emphasises the consequences of the numerous wars in which Britain engages. This bellicosity, it states, not only undermines Britain's commerce and therefore its financial capacity to pay off the debt, but also leads to new loans. The Batavian calculates that the national debt has reached the enormous sum of £113 million, of which Dutchmen owned £20 million. Consequently, the speaker doubts Britain's financial ability to repay the debt or even to continue paying the interest. Echoing the phrasing of the Dutch subtitle of 'Of Public Credit', he asks '[i]f it can ever become

46 'nimmer heeft eenig Engelschman, en wel een goed Patriot, en een Man van Rang, op zulk eene openhartige wyze van het waggelend Crediet van dit Koningryk gesproken, en zoo duidelyk getoond, "dat Engelland niet in staat is, nog naar alle menschelyke waarschyndykheid, ooit in staat kan geraaken, om zyne schulden te betaalen;" nooit de onvermydelyke noodzaakelykheid van eene kort op handen zynde Bankbreuk, welke dit Ryk zal moeten maaken, zoo onbewimpeld voorgedraagen.' *Maandelyke uittreksels* 99, 550.

47 *De koopman* 3 (Amsterdam: Gerrit Bom, 1771), 121-163.

48 Velema has demonstrated the political dimension of spectatorial journals, against the former interpretation of them as merely cultural: cf. Velema, *Republicans*, 77-91 and Buijnsters, *Spectatoriale geschriften*.

49 'Vryë Gedagten van een Vryën en Welmeenenden Batavier, over de tegenwoordige Gesteldheid der Engelse Staatsschulden. en over de groote Nadeelen, die dezelve aan alle Natiën, en inzonderheid aan de Hollanders toebrengen; Bewyzende, volgens den leidraad van den heer Hume, dat het Engelland onmogelyk is, en dat het naar alle menschelyke waarschyndykheid voor het zelve nimmer mogelyk zal worden, om ooit of ooit desselfs Schulden te betaalen.' *De koopman* 3, 135.

possible for England, in all human probability, to pay off these debts?’⁵⁰ The Batavian then goes on to paraphrase Hume’s notorious claim that the nation cannot coexist with public credit. Repeating the violent or natural death scenario, he explains that ‘this one stroke shall ruin England and Holland.’⁵¹

‘Of Public Credit’ has also influenced an essay on the political consequences of modern state finance in another journal, even though it was not referred to explicitly. *The Statesman* (*De staatsman*), which was edited by Lodewijk Theodorus van Nassau La Leck, published a treatise also titled ‘Of Public Credit’ in 1779.⁵² Whereas Hume had taken the meaning of public credit for granted, the anonymous author of this essay examines it and defines credit as follows: as a delay of payment, credit presupposes trust in both the character of the person in need of credit and his financial capacity to pay the money back at a later point in time. *The Statesman* explicitly differentiates between the consequences of private and public credit. Since private credit is the ability to bridge the time gap between buying goods and paying for them after having resold them, it is presented as advantageous to the merchant. In contrast to this increase in mercantile prosperity through private credit, so the anonymous author states, public credit impoverishes a nation by estranging future revenue, increasing taxes, transferring the fruits of labour into idle hands, and tempting the government into irresponsible wars. The essay clearly echoes Hume’s ‘Of Public Credit’ when it claims that this method of financing wars was unknown to the ancients, who saved in peacetime to have money ready during periods of warfare, and that two states fighting against each other in the midst of their debt are like a cudgel-fight in a porcelain shop.⁵³ In the end, so the author assures his reader, bankruptcy is inevitable for a state with public credit and this event will be disadvantageous for both the liberty of the inhabitants and the power of the government. Though Hume is not explicitly mentioned in the pamphlet, both the content and phraseology suggest that ‘Of Public Credit’ had an overriding influence.

Even in the 1780s, Hume’s *Political Discourses* continued to influence the Dutch public debate. By this time, British contemporaries realised that Britain had neither gone bankrupt nor ceased to exist, and confidently refuted Hume’s prophecy by emphasising the country’s ability to sustain a national debt higher than anyone had ever imagined to be sustainable.⁵⁴ Dutch authors, in contrast, continued to use Hume as a tool for undermining Britain’s creditworthiness. When the political patriot movement grew strong after the outbreak of the fourth Anglo–Dutch war, a peculiar series of pamphlets dealing with the fictitious bankruptcy of George III appeared in 1781.⁵⁵ Even though these pamphlets nicely illustrate the mock literature of the patriot period, they have not been given scholarly attention yet. Since they also demonstrate how the anonymous translator influenced the Dutch reception of Hume, it is worthwhile to describe them in some detail. In the preface to one of the pam-

50 ‘Of het Engelland wel immer mogelyk kan worden, om ooit of ooit naar alle menschelyke waarschyntykheid, deeze Schulden aftedoen?’ Ibidem, 142.

51 ‘die ééne veeg zal Engelland en Holland ruïneeren’ Ibidem, 152.

52 ‘Over het publicq crediet’ in *Mengelwerk van de staatsman* 1/2 (Utrecht: Bartholome Wild, 1779), 63–71.

53 Ibidem, 64, 68.

54 Mortimer, Thomas, *The Elements of Commerce, Politics and Finances* (London: R. Baldwin, 1780), 368; Playfair, William, *The Commercial and Political Atlas* (London: John Stockdale, 1787), 116.

55 The relevant pamphlets are listed as nos. 19699 – 19717, Knuttel, *Catalogus* v, 78–81.

phlets, the anonymous author explains that these publications are translated from English manuscripts and aim at alerting the Dutch public to the current state of affairs in England.

Overall, these pamphlets insult both George III and Great Britain as a whole. They present the British Isles as a furious and irreligious madhouse, mainly concerned with deceiving the Dutch. The King is described as completely incompetent, so much so that he has become insolvent and his estate is to be auctioned later in the year in London. Accordingly, the main part of this pamphlet series consists of an extensive list of the bankrupt King's estate that is composed of luxurious goods, such as the crown jewels, and fine pieces of furniture that are listed next to 'lumber', such as 149,837 empty money bags and the royal close-stool.⁵⁶

Alongside various plans of politicians to gain advantage over the Dutch Republic by declaring England bankrupt, the list of books in the inventory mentions David Hume's *Philosophical and Political Discourses*.⁵⁷ The listed edition is described as having a new title page with a picture illustrating the content: a 'capitalist from Holland', who has invested his money in British funds, sleeps at the shore of the stormy sea that is slowly endangering his life while some Englishmen watch him with amusement. This item of the inventory list is accompanied by a comment that is presented as an aside by the brokers that are to auction the bankrupt King's property:

This scenario is well described by the author in the preface to this treatise that was printed in Dutch some time ago; therefore, one is considerably surprised about the Hollanders still being foolish enough to confide their money to our funds.⁵⁸

It has been demonstrated above that this image was not described by Hume himself, as the pamphleteer claims, but appeared in the preface added by the translator. This instance clearly shows how the anonymous translator had influenced the impact of the *Political Discourses* and how Hume's authority as an 'Englishman' was used in a specific debate.

This entry is referred to again by one of the later pamphlets in that series. In a fictitious letter, a Petrus Patriot asks a commissioner in London to buy certain goods from the royal property at the auction on his behalf. Among other things, he asks for Hume's *Political Discourses* and explains this commission with his wish to make the book available in The Netherlands so that his fellow-citizens realise the danger of lending their money to England.⁵⁹

With these Dutch pamphlets describing a fictitious bankruptcy of George III, the anonymous author or authors were warning their Dutch readership – and offending the King of Great Britain. Publicly assaulting the professional trustworthiness of a man constituted

⁵⁶ Anonymous, *Appendix of aanhangzel, behoorende tot de catalogus van een zeer fraaije, capitaale en prachtige inboedel* (Dordrecht: Blussé et al., [1781]) (Knuttel Collection nr. 19702), 14f.

⁵⁷ Anonymous, *Catalogus van een zeer fraaie, capitaale en pragtige inboedel* (Dordrecht: Blussé et al., [1781]) (Knuttel Collection nr. 19700), 24f. They are listed as *Politique of Staatkundige Brieven, door David Hume*.

⁵⁸ 'Hier van is reeds een beschrijving gedaan, in de Vorreede van zeker Tractaat, door den zelve Autheur, en dat voor eenige tyd in 't Hollandsch gedrukt is; derhalve is men hier zeer verwondert, dat de Hollanders nog dwaas genoeg zyn, om hun Geld in onze Fondsen te vertrouwen.' Ibidem.

⁵⁹ Anonymous, *Brief van den heere Petrus Patriot, aan den heere G. R.* (s.l.: s.n., [1781]) (Knuttel Collection nr. 19711), 13.

the ultimate insult to male honour in the early modern Dutch Republic.⁶⁰ It is surprising that these pamphlets present the King, and not Parliament or ‘the nation,’ as the bankrupt debtor, when one considers the fact that scholars commonly assume that Britain’s public credit became abstract, depersonalised, and national with the financial revolution.⁶¹ To convince investors to stop lending money to Britain, a human debtor seemed a more tangible and vulnerable borrower than an abstract institution, such as the nation.

This series of pamphlets on the fictitious bankruptcy of George III demonstrate that Hume, in his Dutch translation, still influenced the public debate on national debt in the early 1780s. He was again referred to and utilised as a warning about the precarious state of Britain’s finances and the fatal consequences a British failure would have for the Dutch Republic. But Hume’s prophecy of Britain’s bankruptcy was by itself no longer sufficient to alert the Republic in the increasingly anti-British atmosphere. Authors had to resort to presenting the bankruptcy as having happened.

Dutch Investors

The examples given so far have already indicated that the question of the consequences of investors’ behaviour for the Republic as a whole was an important part of the Dutch debate on modern state finance. While there are only scattered references to investors during the first half of the eighteenth century, they are criticised with increasing frequency and sharpness from the 1760s onwards. During the bubbles of 1720, Dutchmen participating in speculative enterprises had been perceived as fools who were tricked by deceitful fraudsters.⁶² By 1780, in contrast, Dutch foreign investments were presented as treasonous.⁶³ This part of the article explores the Dutch reception of David Hume’s *Political Discourses* further, focusing on the issue of Dutch investors.

The immediate reception of the Dutch translation of *Political Discourses* continued the translator’s address to those citizens who had invested their money in British funds. The three review journals examined above, for example, reiterated Hume’s prediction of the looming and unavoidable bankruptcy of England and stated that it will hurt the Dutch investors immensely. In a similar manner, commercial advertisements in Dutch newspapers not only raised awareness of the translation’s existence, but also identified the target audience as ‘political merchants, rentiers, and those having their money in English funds.’⁶⁴

The author of *The Merchant* goes one step further. Instead of confining himself to identifying his fellow-citizen investors as targeted readers for ‘Of Public Credit’, he directly blamed them for the perceived decline of the Dutch Republic. From his point of view, the

⁶⁰ Roodenburg, ‘Eer en oneer’, 133f.

⁶¹ Dickson, *The Financial Revolution*, 501; North and Weingast, ‘Constitutions and Commitment’; Beigel and Eckert, ‘Zum Wandel der Staatsverschuldung’, 4, 26–28.

⁶² See the collection Anonymous, *Het groote tafereel der dwaasheid* (s.l.: s.n., [1720]).

⁶³ [Van der Capellen tot den Pol, Joan Derk], *Aan het Volk* (s.l.: s.n., [1781]) (Knuttel Collection nr. 19864), 17.

⁶⁴ ‘den Staatkundigen Koopman, den Rentenier, alsmede die hun Geld in de Engelsche Fondsen hebben’ *Oprechte Haerlemse Courant* (Haarlem: Joh. Enschede en zonen, 12 August 1766), 1.

money invested abroad is lacking at home. It supports a commercial competitor, and renders the entire country unhappy and dependent on Britain. Additionally, the anonymous author of this treatise from 1771 did not merely reissue the criticism of Hume's translator but also prescribed an alternative and ideal behaviour: a return to the direct forefathers' activities of commerce and manufacturing.⁶⁵

In general, the issue of investments in foreign government debt became more urgent during the 1770s. With the emergence of the economic patriot movement, which argued for reforms to reverse the perceived decline, more pressure was put on rentiers who were held responsible for the Republic's stagnation. For instance, the author of *The Statesman* directly addresses Dutch investors in Britain's national debt and demands: 'reconsider in how much danger your English Funds are.'⁶⁶ He asks them to use reason, to overcome prejudices, and to follow the economic patriots by investing in Dutch ventures, giving them a moderate but safe revenue.

One of the reform movement's publishing outlets, the spectatorial journal *The Citizen (De borger)*, used Hume to criticise Dutch investments. An essay from 1779 defines a 'rentier' as someone who lives idly from the dividends on his investments without actively engaging in a profession, and locates most of them among the nobility, regents, and urban merchants. This situation, the author assures his readers, is distressing. But, so he claims:

This anxiety of mine is not so much caused by a predicted bankruptcy of England, of which many are dreadfully afraid, and which will probably happen once, and will destroy thousands of our rentiers, while the English will continue increasing their debt in a ruthless manner.⁶⁷

Instead, the author worries about the rentiers becoming impoverished through a possible reduction of the interest on Britain's national debt and through the ongoing monetary inflation. To prove the latter claim, he refers to Hume, who has shown that everything had become more expensive with the discovery of America. To avoid being ruined and thereby causing the decline of the whole Republic, the spectator suggests that these rentiers either engage in commerce and industry or invest in land and property, depending on their financial means.⁶⁸

Here, as in *The Merchant*, the anonymous author directly asks the investors to change their behaviour and presents the current economic situation of the Republic as closely tied to their activities. Instead of employing Hume's *Political Discourses* to alert his readers to the failings of England, the author uses it to underpin his claim of monetary inflation, which he considers will be the probable cause of the ruin of the rentiers. Along

⁶⁵ *De koopman* 3, 154f. The emergence and function of the mid-seventeenth century as the golden age in the spectatorial literature of the eighteenth century has been demonstrated by Velema, *Republicans*, 77-91.

⁶⁶ 'Overweegt maar in hoe veel gevaar uwe Engelsche Fondsen zyn.' *De staatsman* 2/1 (Utrecht: Bartholomeus Wild, 1779), 135.

⁶⁷ 'Deze myne bekommernis komt niet zo zeer voort van eene vooruitgeziene bankbreuk in England, waar voor veelen zo yslyk bang zyn, en die ook waarschynlyk eens gebeuren, en dan duizenden van onze renteniers mede in het bederf sleepen zal, indien de Engelschen op eene roeklooze wyze gelieven voorttegaan met hunne schulden te vermeerderen'; *De borger* 1 (Utrecht: Wed. Johannes van Schoonhoven, 1779), 140.

⁶⁸ *Ibidem*, 137-144.

the way, he nonetheless undermines Britain's creditworthiness by casually predicting its bankruptcy.

Conclusion

This article set out to investigate a distinct Dutch debate about the ramifications of Europe's modern war finance by following the reception of Hume's *Political Discourses*. Even though the Scotsman had been known in The Netherlands previously, he was widely discussed only after one of his major works was translated into Dutch in 1764. Through alterations and additions by the anonymous translator, the Dutch edition of *Political Discourses* exaggerated the writer's original scepticism about the possible consequences of Britain's modern financial system. The essay 'Of Public Credit' was thus transformed into a prophecy of England's inevitable bankruptcy with ruinous consequences for the Republic. As the translation did not serve a particular political aspiration when it was published, there is no indication of the translator's identity or of a possible commission from a patron. In the subsequent Dutch reception of the *Political Discourses*, Hume's ideas and warning about the future consequences of Britain's fiscal policy dominated the public debate and gained more authority by his reputation as a deep-thinking 'Englishman'.

The reviews that immediately followed the translation increased awareness of the book itself and disseminated its content by quoting mainly from the altered sections predicting Britain's bankruptcy. In particular, the spectatorial press and political pamphleteers in the 1770s and early 1780s employed Hume to alert their readership to the (assumed) precarious financial situation in which England found itself. They strove to damage Britain's reputation by questioning its economic ability and political willingness to service its debt and, at the same time, used Hume and his ideas as a means of self-reflection. While the translator and the immediate reception confined themselves to criticising investors, rentiers were increasingly held responsible for the perceived decline of the Republic. During the 1770s, contemporary reformers addressed them by using Hume as an authoritative account of the precarious state their investments were in and recommended concrete investment alternatives.

The examples in this article illustrate that the evolution of the modern war finance system was debated in the Dutch Republic during the eighteenth century and that this discussion was very different from the British and French debates about the same topic. Dutch contemporaries were confident that there was an abundance of money within the Republic, sufficient to support their own national deficits, and were thus not much concerned about the direct consequences of provincial and national debt. Instead, they discussed the financial stability of Britain and, to a lesser extent, France, together with the intricate relationships of these countries with the Republic that resulted from citizens' investments. This debate can be traced in reviews, spectatorial journals, and anonymous pamphlets. Taken together, the examples provided for the Dutch reception of Hume's *Political Discourses* suggest that the evolution of modern state finance introduced a crucial new aspect to eighteenth-century political discourse: the uncertainties about the future of a civil society that invested on a large scale in foreign national debt.

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