

Richard Cantillon—Banker and Economist*

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On Tuesday, the 14th of May 1734, the First Earl of Egmont noted in his diary: "I was most disagreeably surprised at my arrival in town to hear that my brother Percival was this morning at four o'clock burnt out of his house and had lost all his furniture, except his plate, some pictures, and some books. The Fire began, as he told me at the next house, lately taken by Mr. Cantillon, the rich banker whom I knew at Paris, who was but lately come to the house, and was burnt in his bed, of which there are varying reports, some saying he came drunk home at twelve at night, and fired his curtains, others that he read himself to sleep and the candle fired his bed, others that his servants murdered him and then fired the house to conceal their crime. He was a debauched man, and his servants of bad reputation so being very rich it is thought they were tempted to commit this fact, for which informations were taking when I visited by brother on this great loss, amounting as he tells me to £700. I desired him to go to my house in Pall Mall." Historical Manuscripts Commission, (Egmont Diary, Vol. ii, pp. 102).

The *Monthly Intelligencer* (The Gentleman's Magazine) for May 1734 noted "Tuesday 14. Mr. Cantillon, A French Wine-Merchant in Albermarle Street, was found smothered in his Bed, and his head almost burnt or cut off. A fire which began in his chamber about three o'clock the same morning consum'd that and the two adjoining houses, and damaged others. He had to the value of £200,000 in the house which, with other circumstances caused a suspicion of villainy in the affair. His servants were all committed to prison; but the cook, who had been

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discharged about three weeks before, escaped beyond sea, with a seemingly large and valuable cargo, under a feign'd name: £200 reward is offered for a discovery."

The event was sufficiently important for it to be reported in the *Mercure de France* in June 1734 "Le feu prit le 25 du mois dernier chez. M. Cantillon, dont la maison fut entièrement brûlée, et qui perit lui-même dans les flames; on a arrêté deux hommes et une femme de ses domestiques qu'on soupconne d'avoir tué et volé leur maître et d'avoir mis ensuite le feu à sa maison."

Under the heading of domestic occurrences in December 1734, the *Gentleman's Magazine* informs us that "Issac Burridge, Roger Arnold and Elizabeth Pembroke, tried for the murder of their master, Mr. Cantillon, and firing his house were found not guilty."

The person in question was of course Richard Cantillon, the author of *Essai Sur La Nature Du Commerce En Général*. Just as his death was controversial so also was his life and the publication of the *Essai*, twenty one years after his murder.

Scion of a Kerry family dispossessed of their lands by the Cromwellian and Silliamite confiscations in Ireland, he became a multi-millionaire as a result of his financial manipulations during the Mississippi System of John Law between 1718-20, only to end up murdered in his bed by his French chef in London in 1734. At some time between 1720-34 he had time to write the *Essai*—and a statistical supplement which has been unfortunately lost—a book, described by Jevons as "the first systematic treatise on economics".

Yet, despite his action-packed career little is known about Cantillon. Described as an "inconnu" by Du Hautchamp in the *Histoire Du Visa* (1743), a book giving details on the fortunes and background of the lucky Mississippians, Cantillon seemed to covet anonymity in the circles in which he mixed. His success in covering his tracks may be judged by the mistakes made about Cantillon and his family on the publication of the *Essai* in 1755. Some of these errors, as will be shown, have been compounded by 19th and 20th century commentators.

This paper is essentially a report of work in progress. Rather than attempting to give a chronological listing of Cantillon's career a number of specific issues, incorporating new evidence, are discussed. These issues are:

- (1) Cantillon's family background
- (2) The relationship between Cantillon and John Law
- (3) Hume and Cantillon's views on the Monetary Approach to the Balance of Payments.
- (4) The mystery surrounding the delayed publication of the *Essai*.

Cantillon's Family Background

This section of the paper deals with Cantillon's Irish background. Up to now quite an amount of the material produced on Cantillon's background has been inaccurate and misleading. The approach here aims at producing a more definitive

account of the family background in the hope that this assembly of parts of the Cantillon "jigsaw" will eventually produce a definite date of birth for the economist. It is of interest, after all, to know whether Cantillon wrote the *Essai* as a young man in his thirties or as a more mature banker of fifty.

There are a number of purported genealogies on Richard Cantillon. The common characteristic of these genealogies is that they are based on 19th century attempts by French families to establish their "roots" and in one case an attempt to "cook" a false pedigree for the purpose of claiming the title of Baron of Ballyheigue.

The errors on Cantillon's genealogy have been further compounded by Joseph Hone's biographical note in the *Economic Journal* which attempted to draw these genealogies together to provide a comprehensive picture of Cantillon's family background.¹

In this section of the paper, a number of contemporary 17th and 18th century documents relating to the Cantillon family are presented for the first time—including a genealogical table ordered by the economist himself—which gives a completely different picture to that of Hone.

These documents give valuable information as to the possible birthplace of the economist, indicate that the family's banking connections were more extensive than have so far been considered, and also show why researchers have found it difficult to piece together the family tree of the Cantillons.

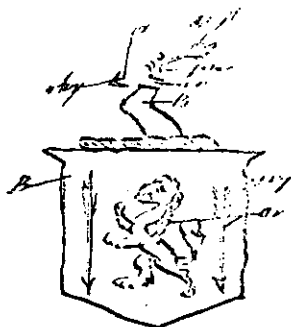
In the 19th Century two French families made attempts to investigate the background of the Cantillon family. As a result of his efforts Antoine Sylvain de Cantillon was instrumental in having the *Notice Historique, Généalogique et Biographique de la Famille De Cantillon* published in 1844.² In 1879, Joseph and Henry Cantillon de Lacouture published another genealogy on the Cantillon family which was used by John Nagle and is known as the Bellac Genealogy.³

In working on what eventually became the *Notice Historique*, Antoine Sylvain de Cantillon contacted Sir William Betham, Ulster King-at-Arms in the Genealogical Office in Dublin. Betham seems to have provided him with a certain amount of detail on the Cantillon family.

Sir William Metham also produced what seems to be his own hesitant effort at investigating the Cantillon family and this can be seen in the Genealogical Office, Dublin Castle. It is reproduced in table 1. It was this document—which includes a date of birth of the 16th of March 1697 for a Richard Cantillon—alongside the *Notice Historique* and Nagle's interpretation of the Bellac genealogy that Hone used as the basis for his biographical note on Richard Cantillon in 1944. Hone's genealogical table on the Cantillon family is reproduced in table 2.

Hone's account is inaccurate on three levels:

- (1) It is internally inconsistent.
- (2) It relies heavily on the "cooked" pedigree of the *Notice Historique*.
- (3) It applies Betham's findings to the wrong side of the family.



Thomas Cauldon of
Fethy, County Kerry and
Lishdown
died 2 Feb 1613

Monora = Maurin
Lalor = Cormac
died 2nd
1625

Richard Cauldon

Richard Cauldon

Phyllis
Cauldon of Ballykeigh Esq

Frances daughter of
Garratt Pierce of
Carrigrohane Esq
of the City of London

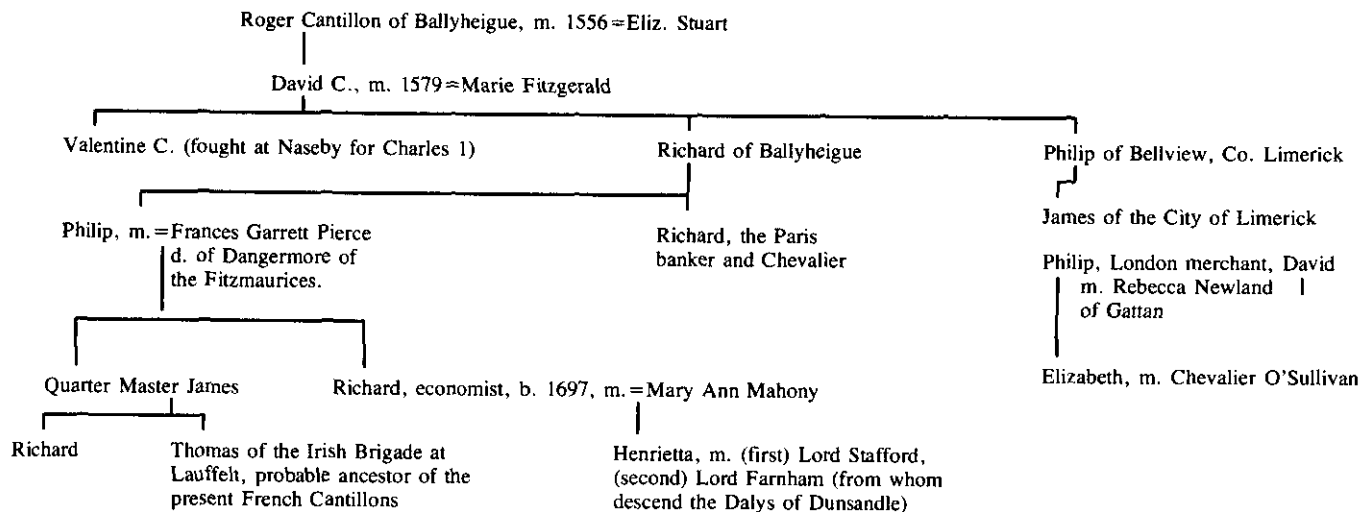
Phyllis Cauldon = George
Richard 1697.
George (died 13-14)

George's daughter of
George Spalding

TABLE 2

FAMILY OF RICHARD CANTILLON, ECONOMIST

Collated from investigations of Stanley Jevons, Henry Higgs, Richard Hayes (*Studies*, 1942), from Bellac Pedigree (*Studies*, March 1932) and from pedigrees in Genealogical Office, Dublin Castle.



Internal Inconsistencies

As an example of the internal inconsistencies in Hone's paper one finds that while he uses Richard Cantillon's will to show that the economist had two nephews, Richard and Thomas, he rejects both Betham's attribution of a brother Thomas to the economist (see Table 1) and more importantly he rejects the fact that Richard Cantillon in his will specifically left a legacy to his brother Thomas

"I bequeath unto my Brother Thomas Cantillon twenty five pounds sterling English per annum during his natural life and redeemable by four hundred pounds sterling."

(Extract from Richard Cantillon's will dated the 11th of April 1734)

Hone on the other hand says "After collating my various sources of information I am inclined to believe that this James was a brother of the economist (in a footnote he adds 'the Thomas, added in pencil on the Betham pedigree, would then be an error for James') and that the nephews mentioned in the economist's will Richard and Thomas were sons of James—Thomas being the soldier at Lauffelt."⁵

Thus, notwithstanding the fact that both Betham and Cantillon himself, through his will, indicate that there was a brother Thomas, Hone replaces him with Captain James.

Étude LXVI, 363 in the Minutier Centrale (Archives Nationales Paris) confirms that Captain James was the brother of the Chevalier. Dated the 30th August 1717, it indicates that James Cantillon, a captain in Dorrington's Regiment, is a brother of the Chevalier Richard Cantillon, banker in Paris.

The "Cooked" Pedigree of the *Notice Historique*

In 1838 the Chevalier Cantillon wrote two letters to Sir William Betham in the Genealogical Office in Dublin Castle requesting information on his Irish ancestors. In 1840 the Chevalier, a Lieutenant Colonel in the 3rd Hussard Regiment, was created Baron of Ballyheigue by Louis Phillippe. By 1843 the "Baron of Ballyheigue, Lt. Colonel of the 3rd Hussards, President of the Council of War in Paris" writing to a member of the O'Connell family addressed him as "my dear relative" and went on to add "a celebrated painter in Paris has reproduced in a painting, which is today owned by me, a historic subject concerning my family and yours. It concerns my great grandfather who was also uncle of Mary O'Connell, wife of your great uncle."⁶ The subject is taken from the archives of the Department of War in Paris . . . ⁷ He explains that the picture in question showed the heroic action taken by Captain James Cantillon at the battle of Malplaquet in 1709 and goes on to ask his "dear relative" if he is interested in purchasing some copies of this painting, at three francs a copy, from him.

The *Notice Historique* was undoubtedly compiled at the request of the Baron Antoine Sylvain de Cantillon as it makes him a grandson of Captain Thomas Cantillon, a hero at the battle of Lauffelt, and a great grandson of Captain James

Cantillon a hero of Malplaquet. As an additional bonus he could claim kinship with one of the great 19th century political figures in Ireland, Daniel O'Connell—the Liberator.

Mr. Guy Antonetti⁸ has recently shown that the Baron fabricated the genealogy in the *Notice Historique*. He has shown that the Baron's grandfather was Antoine Seraphin Cantillon, a master tailor, and his great grandfather Valentin Cantillon, a legal official.

Antonetti believes that the "Baron" requested details on the family and military career of Captain Thomas and Captain James Cantillon from the French War Office and then wrote to the Genealogical Office in Dublin requesting further details on the family background of these two soldiers. Some information was obviously obtained from Ireland and from this potpourri of French and Irish sources the *Notice Historique* was assembled, tracing a long line of brave soldiers in the family of the "Baron." Armed with this documentation Lt. Colonel Antoine Sylvain de Cantillon claimed the title Baron of Ballyheigue!

Hone's Interpretation of Betham

The Betham manuscript, reproduced in table 1, which Hone refers to, seems to have been compiled by Sir William Betham during his research on the Cantillon family. Hone uses it to show that the economist Richard Cantillon was a son of Philip Cantillon and Frances Garret Pierce and a brother of Captain James. It will be shown that Philip Cantillon and Frances Pierce were the parents of Captain James and the *Chevalier Richard Cantillon* rather than Richard Cantillon, the economist.

The Alternative Approach to Richard Cantillon's Background

In 1724, James Terry, Athlone Pursuivant, who came over to France with James II, wrote to Richard Cantillon from Versailles.

"I am sorry you sent to Mr. Hawkins for Ireland for your Genealogie, which you were sincible yt I came over with the late Deceased King, and then brought with me his records of the Kingdom"⁹

William Hawkins (1698–1736) was Ulster King at Arms in Ireland at the time and obviously Terry felt disappointed that Cantillon had sent away to his successor details of his genealogy.

Two documents in the Genealogical Office Dublin represent Hawkins' reply to Richard Cantillon. G.O. Manuscript 159 contains a genealogical table which is duplicated in the form of a genealogical tree in GO Manuscript 160. Manuscript 159 contains a letter, dated London June 3rd 1729, from Dermot O'Connor which includes the following:

"Sir,

Pray as soon as you receivd this write all in your hand, and when you fix your seal offico, get it attested as proper before the Lord Mayor there, and if occasion requird in a notary publicke and send it to Mr. Cantilon without delay and you'll oblige.

Sir, your most humble servant.

Derd. O'Connor."¹⁰

This document, without the letter, is duplicated in genealogical tree format in Manuscript 160 and is signed William Hawkins, Ulster King at Arms.

This document, it is maintained, is William Hawkins' reply to Cantillon's request in 1724 for details on his genealogy. It must be noted however that Sir William Betham has written notes across both manuscripts expressing reservations about their accuracy. On manuscript 160 he states "this pedigree is certainly very incorrect if not a fabrication. I am astonished at its appearance here." While on manuscript 169 he is more restrained in stating that "this pedigree or at least the early part of it is a stupid fabrication."

Betham's reservations are about the early part of the genealogy which traces Cantillon's family back to Raymond Le Gros who came over to Ireland with Strongbow in the 13th Century. It is unlikely that an official genealogist such as Hawkins would make mistakes about Cantillon's immediate pedigree.

Table 3, reproducing Cantillon's immediate predecessors over four generations, is taken from G.O. Mss. 159. 160. It shows a Richard Cantillon marrying Anna, daughter of Daniel Mahony, and as having a brother Thomas. His parents are Richard Cantilon and Brigid, Daughter of Cantilon in County Limerick. The parents given explain part of the difficulty of tracing Cantillon's ancestors—his mother's maiden name was Cantillon and as we shall see her family in County Limerick was interrelated to the Ballyheigue Cantillons.

Table 3 also shows that the family alternated the names Richard and Thomas for each generation. Thus the economist's elder brother was Thomas, son of Richard. They were grandsons of a Thomas Cantillon and the great grandsons of a Richard Cantillon.

Corroboration of Cantillon's immediate ancestry is given by a manuscript—reproduced in Appendix A—which will be referred to as the O'Connell manuscript. A genealogical tree based on the information contained in the O'Connell manuscript is produced in table 4.

The O'Connell manuscript is of great assistance in helping to unfold the family background of the economist for the following reasons:

First, it confirms the Hawkins genealogy on the parents of the economist and goes on to state that Richard Cantillon from Ballyheigue and Bridget Cantillon from County Limerick were related in blood, and needed to obtain a dispensation to get married. This would indicate that the economists' parents were Catholics. The family was descended from a Norman knight who accompanied Strongbow during the invasion of Ireland. The writer adds that the Cantillon family were "undoubted gentlemen."

TABLE 3
GENEALOGICAL TREE OF RICHARD CANTILLON

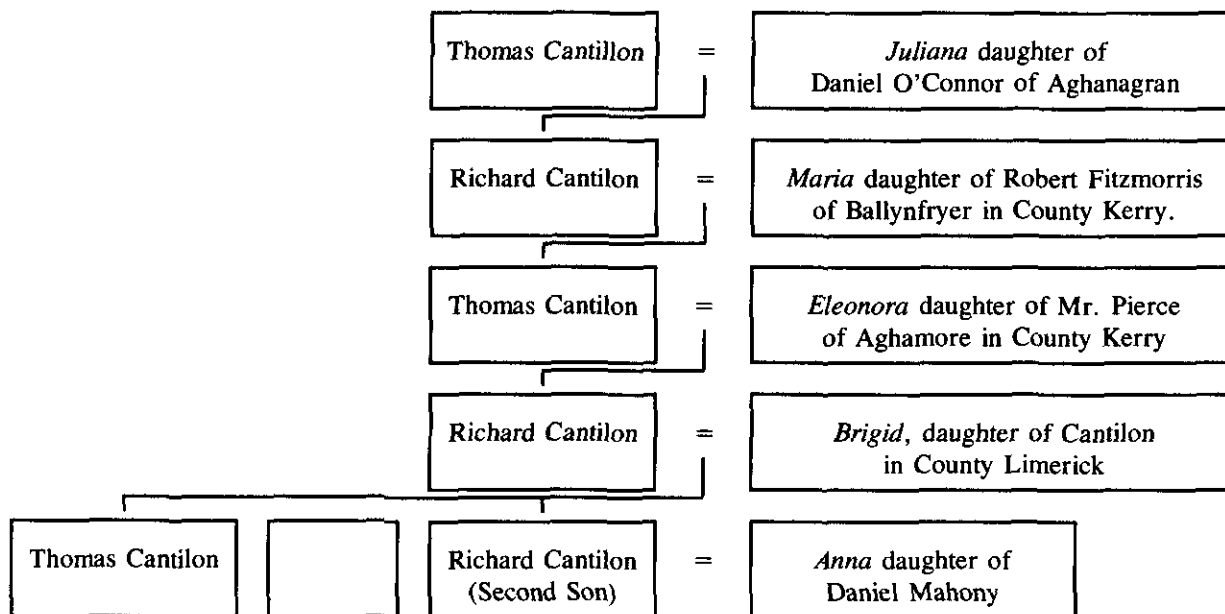
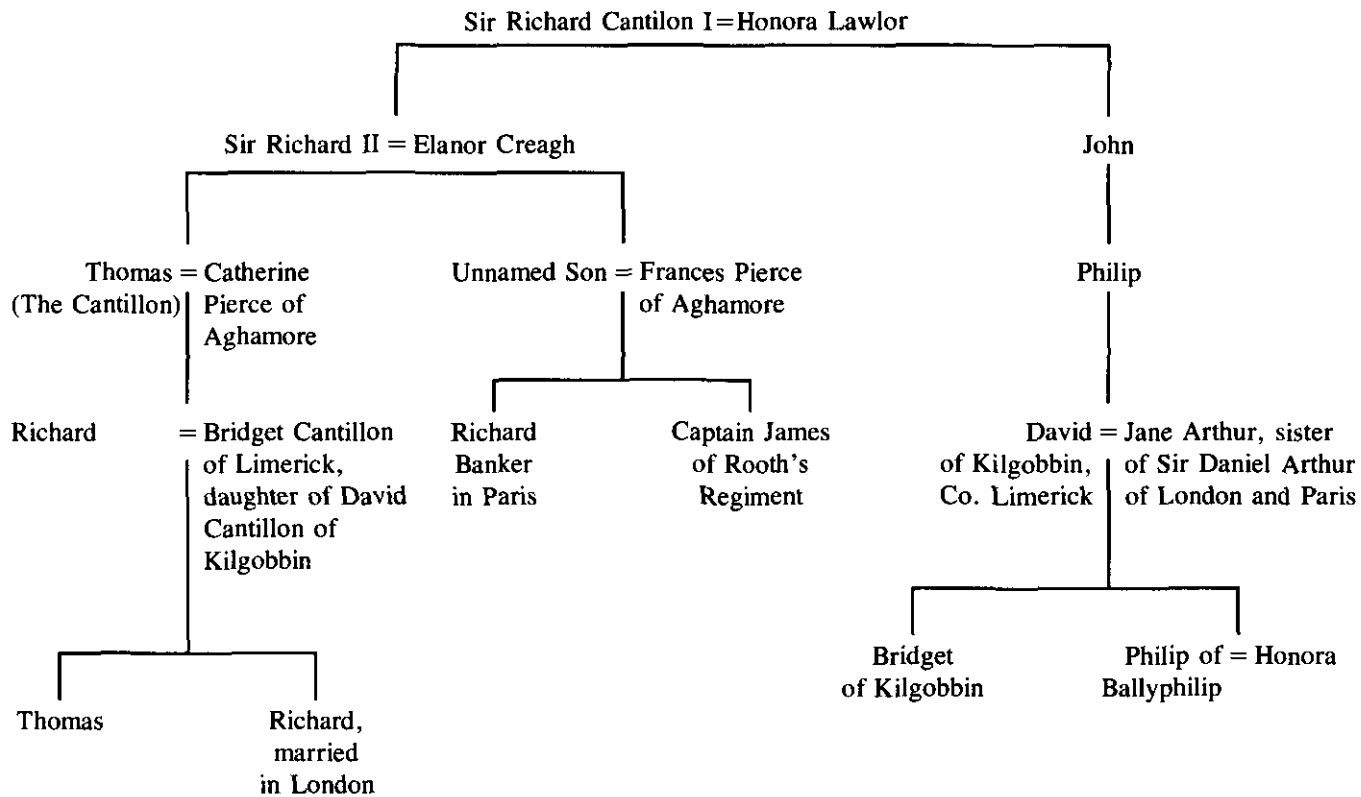


TABLE 4



Secondly, it indicates how Betham, and later Hone, mixed up the parents of the economist. Richard Cantillon, who was born in 1601 and died circa 1653, had two sons who married the Pierce sisters of Aghamore. The O'Connell manuscript has Thomas "the Cantillon" marrying Catherine Pierce and an unnamed brother marrying Frances Pierce. Betham, Table 1, has a Philip Cantillon of Ballyheigh marrying Frances Pierce. The sons of this marriage were the Chevalier Richard and Captain James, according to the O'Connell manuscript, rather than Thomas and Richard Cantillon, the economist, according to Betham. Richard Hayes confirms that Captain James was the eldest son of Philip Cantillon.¹¹ Thus Captain James and the Chevalier Richard were first cousins once removed of the economist. The Chevalier is mentioned as a first cousin of the economist in A.N. Min., Étude LXVI, 358, (17th Feb. 1716.) and it must be noted that Terry, the official genealogist to the Jacobites in France, refers to the Chevalier as being the economist's "cozein" in his letter to Richard Cantillon of February 24, 1724.¹²

Obviously there was a considerable age difference between the Chevalier and the economist as the latter was known as Richard Cantillon Junior during the lifetime of the Chevalier. The Almanach Royal lists their bank as Richard Cantillon & Junior, rue de l'Arbre Sec for the years 1716 and 1717.

But the Chevalier Richard Cantillon was not the only banking connection that the economist had in his family. The O'Connell manuscript notes that the economist's mother Bridget was a daughter of Jane Arthur, the sister of Sir Daniel Arthur of London and Paris. Daniel Arthur was a prominent banker in London at the end of the 17th and the start of the 18th century. Antonetti¹³ has shown that from 1706 the Chevalier was the Paris correspondent for Sir Daniel Arthur's London-based bank, an association that dramatically increased the banking business of the Chevalier. Future research may show that it was the economist's connection with Daniel Arthur, rather than the Chevalier, which was more important in the development of his banking career.

A Synthesis of Available Evidence

Combining the Hawkins and O'Connell manuscripts an attempt is made in Table 5 to provide a genealogical table of Richard Cantillon's direct ancestors. This table is cross checked with contemporary 17th century documents where possible.

The line starts with Thomas Cantillon (died 1613) and his wife Honora Lawlor (died 1625). This differs from both the Hawkins and O'Connell account of matters. Hawkins has Thomas married to Juliana O'Connor and the O'Connell manuscript states the Honora Lawlor was married to Sir Richard Cantillon the First.

However, both Betham (see table 1) and M. A. Hickson¹⁴ had 17th Century documentation available which proves that Thomas Cantillon was married to Honora Lawlor. Hickson quotes the following from a contemporary 17th Century document:

"Thomas Cantylone died 2 February 1613 seised of the three Ballyheigues of Heyston, Lyshycronikane, Lyshydowne, Ballyronan, Clonmore, Clonylanahane, one water mill

Lodge's Records of the Rolls¹⁵ show that on the 10th of June 1639 there was "a grant (in virtue of the said Commission and for the fine of £5) to Richard Cantellon, Geneleman, Barony of Clanmorris, Co. Kerry, of the towns and lands of Ballyrenane, Cahir-Sereky, Clon-Soulighane, Cloghandagory, Boulynshease and Plowland, the three Ballyheigs, Clounmore, Lissicronigane, Lyssdonyne and Plowlands, Tonereagh and Plowland, The Chief Rent of £—out of Killynendace".

Despite the misspellings, a common feature of 17th century documents, the lands mentioned here correspond broadly with those owned by Thomas Cantillon.

The Book of Survey and Distribution shows that in the parish of Ballyheigue, Barony of Clanmaurice, a number of Cantillons "papist Landowners" forfeited their lands to Cromwell planters in the 1650s. The names mentioned are Richard and Ellen Cantillon of Ballyheige forfeiting 639 acres and Thomas Cantillon of Ballyraniny and Tenereigh forfeiting 787 acres. Judging by the way Richard and Ellen Cantillon's names are linked in the Book of Survey and Distribution it appears that Richard was married to Ellen (Eleanor) Cantillon.

Hart's Irish landed Gentry's list of forfeiting proprietors mentions Ellen Cantillon, Richard Cantillon (deceased), Thomas McShane Cantillon and Thomas Cantillon, alias Cantillon, Ballyronane.

There are two interesting points to note from Hart's list. In the first place the Thomas Cantillon, alias Cantillon, Ballyronane seems to be "The Cantillon" mentioned in the O'Connell manuscript as the grandfather of the economist. In the second place the great grandfather, Richard Cantillon, was dead by the time of the forfeiture.

This latter fact is confirmed by the correspondance of the Crosbie family in which on the 14th of March 1653 a Richard Cantillon is mentioned in the answer of David Crosbie to a Bill of Complaint.¹⁶ In this bill Crosbie maintains that Richard Cantillon minded some cattle for him in the 1640s. However, Crosbie's statement goes on to add that this Richard Cantillon is now deceased. It seems likely that this Richard Cantillon was the son of Thomas Cantillon, that he died between 1650–1653 and that he was the great grandfather of the economist.

What happened to the Cantillon family after the Cromwellian forfeiture of their estates in the 1650s? Did they emigrate, were they transplanted or did they stay in Kerry as tenant farmers?

The Civil Survey Volume IV, 1654, for County Limerick incorporates a section on Clanmaurice Barony, Co. Kerry. There is no mention of the Cantillons either in Clanmaurice or Limerick.

Similarly the Census of Population 1659¹⁷, which included the names of most of the well established Irish families, makes no mention of the Cantillons.

On the other hand a manuscript in Trinity College indicates that in 1681 there was a Richard Cantillon living in the Barony of Clanmaurice:

"wee the undernamed doe hereby consent to pay our proportion of such summs of money as shall be though sufficient to bee raised in the parrishe of Killurie, Ratoo,

and Ballihige, towards the Building of the Chapplle or anie other parte of the parrish church of Killurie, as shall bee though meete by anie two, three or more of us provided the said sum shall not excede ten pounds sterling. Witness our hands this 27th of April 81."¹⁸ This document includes the signature of Ric. Cantillon.

On the 27th of July 1689, a Richard Cantillon is among a number of Kerrymen appointed by James II as Commissioner for the Militia of Array.¹⁹

It is possible that the Richard Cantillon mentioned in these two documents was the father of the economist.

There are a number of other pieces of evidence that indicate that the family was Irish based. The O'Connell manuscript discussed the family as if it was based in Ireland—events that took place outside the country are mentioned specifically as such. For example, Daniel Arthur is described as being based in London and Paris; the Chevalier Richard Cantillon is noted as being a banker in Paris and Captain James is cited as being an officer in Ro(o)th's Regiment stationed in France. London is given as the location of the economist's marriage.

The rest of the narrative seems to deal with people based in Kerry and Limerick. People such as Sir Thomas Crosbie and Phillip Cantillon of Ballyphilip were, as we know from contemporary documents, located in Kerry and Limerick. The economist's brother Thomas also seems to have remained in Ireland.

A document in the Registry of Deeds Office confirms that there was a Thomas Cantillon of Rathmorrill leasing lands in Ballyhanrigane—a place near Ballyheigue—in 1703.²⁰

This document is a copy of a Memorial confirming a lease for lives of lands in Ballyhanrigane, Ardculin, Knockinane, Minomore, Glaunbony and Monerowe, the parish of Rathow, Barony of Clanmorris between Henry Stoughton of Rathow and Captain Thomas Cantillon of Ballyhanrigane. The lease for lives is based on the lives of Captain Thomas Cantillon, his wife Elizabeth and Thomas Cantillon Junior of Rathmorrill. This lease was drawn up in 1703, was confirmed by this deed on the 2nd day of February 1712, and registered on the 5th of August 1714. The rent of the land was £50 sterling a year.

The inclusion of Thomas Cantillon Junior of Rathmorrill in the lease leads me to believe that the deed concerns the brother (Captain Thomas) and nephew (Thomas Junior) of the economist. Rathmorrill Castle was according to a manuscript in the Royal Irish Academy, the residence of the "chieftains of D. Cantellon."²¹

There is little doubt in my mind that Cantillon's parents were Irish and the O'Connell manuscript helps confirm the impression that the economist was born in Ireland. In a legal brief published on behalf of Richard Cantillon in Paris it is contended that Cantillon was "Irlandois d'Origine,"²² while Freron states in the *L'Année Littéraire* that Cantillon was Irish²³.

Unfortunately, notwithstanding the new information obtained on his family Cantillon's date of birth still proves to be elusive. As Betham confused Cantillon's parents it may be argued that the date of birth he gives of the 16th of March 1697 is incorrect. This date is apparently based on a Terry Manuscript that Betham saw

in the British Library. Unfortunately, I have been unable to find this Terry manuscript in the British Library and so cannot comment on its authenticity.

On the other hand there is no evidence to indicate that he was born in 1680, another date that commentators have taken. In the hope that new documentation will become available which will give precise details on Cantillon's age I do not intend to opt for either date.

What we do know is that Richard Cantillon arrived in Paris in 1714 to start his French career as a banker. But prior to dealing with this I would like, while on the subject of his family background, to clear up some mistakes that have been made about his wife Mary Anne O'Mahony.

Cantillon married Mary Anne O'Mahony, daughter of Count Daniel O'Mahony, the hero of the battle of Cremona, in 1722. Mary Anne was born on the 19th of October 1701 and was the daughter of Cecily Weld and not Charlotte Bulkeley as Higgs and other commentators have supposed.

Charlotte Bulkeley was the widow of Charles O'Brien, Lord Clare, who had been killed at Ramillies. She was the sister-in-law of James Fitzjames, the Duke of Berwick, Marshal of France and the "Fils naturel" of James II.

Charlotte Bulkeley, Lady Clare married Daniel O'Mahony 1712 at a wedding that was well attended by the Stuart court in in exile. C. Townsend-Wilson, in his life of the Duke of Berwick, writes of the wedding:

"No doubt the happy couple were satisfied but the wedding must have been gloomy; for Mary Beatrice grieved in solitude; and whenever James III showed his face, red from the small pox, not even loyalty could prevent the flight of startled grand dames."

Daniel O'Mahony was killed in a military campaign shortly after his wedding. Richard Cantillon probably met his future wife when she was as young as fourteen for a document in the Minutier Central shows the Cantillon bank being appointed by Father James O'Mahony, a brother of Daniel and guardian of his children, to act on behalf of the O'Mahony children.²⁴

Thus, Cantillon married into a Irish military family that was well connected with both the Stuart and French courts. His wife Mary Anne obviously wished to maintain this militaristic tradition and connection with the Bulkeley family as she married Count Francois Bulkeley (1686-1751), a Lieutenant General in the French army and her stepmother's brother in 1735:

Mary Anne O'Mahony's second marriage caused a certain amount of adverse comment as may be gleaned from the Denbigh papers December 11, 1736:

"The marriage of Madame de Cantillon was announced two months ago; it took place very secretly in England; even Mr. de Chavigny did not know about it . . . she has given birth to a daughter and has left for England calling herself Madame de Bulkeley, in this matter, I believe, along with her friends, that she has done wrong, because this change of state may embarrass her in the affairs that she has to finish in that country and what is even madder is that her husband wished, contrary to the views of everybody, to follow her, and I believe him to be in London at present".²⁵

Nothing is known of the daughter of this marriage by Mary Anne had a son Henry Bulkeley who was born in 1738.

Through her marriage to Richard Cantillon she had a daughter, Henrietta, who was born in 1728 and it was to this daughter that Cantillon left his estate. Henrietta married William Matthias Stafford, Earl of Stafford, in 1743 at the age of fifteen. He died in 1751 as did her mother Mary Anne Mahony/Cantillon/Bulkeley. She later married Lord Farnham by whom she had a daughter Lady Henrietta Maxwell who in turn married Denis Daly of Dunsandle, County Galway. Thus, the Cantillon line eventually returned to Ireland.

Cantillon and John Law

Richard Cantillon was in Paris as early as August 1714, despite the statement in his Memoire against the Carol brothers that he came to settle in France in 1716.

A document signed by Cantillon himself shows him leasing a carriage and horses in Paris on August 11, 1714.²⁶ With his mother's uncle, Daniel Arthur, engaged in banking operations in both London and Paris and his first cousin once removed, the Chevalier Richard Cantillon, already well established in Paris, the economist had an immediate entry into banking. By September 1714 the Chevalier gave Richard Cantillon junior, as he was known till the death of the Chevalier, power of attorney to manage the affairs of his bank at the rue St. Honore in his absence.²⁷ By February 1716, Richard Cantillon was in a position to purchase the banking business of the Chevalier and in return offer him a life annuity of 3,000 livres tournois per year.^{28 29}

But even before 1716 Cantillon "Junior" seems to have had a dominant role to play in the Bank of Richard Cantillon and Junior. A document, referring to a transaction that took place in May 1715, makes this clear.

This document describes a transaction involving Lord Carnarvon, Lord Bolingbroke, a banker called Comparant and Richard Cantillon junior. Lord Carnarvon issued a bill of exchange to Lord Bolingbroke for £30,000. The bill was drawn on Mr. Comparant in Paris.³⁰ But in the "financial disorder of the time" Comparant was unable to meet the bill in full. Comparant paid some of the money and issued the rest to Bolingbroke in the form of IOUs payable by Cantillon. The bill was endorsed over to Cantillon who wrote to Carnarvon, asking for payment of the bill in Bank of England notes. The bill of exchange was payable the 20th of May 1715.

The fact that a major politician such as Bolingbroke was willing to hand over a bill of exchange valued at £20,000 to Richard Cantillon "junior" indicates that Cantillon must have had a particularly good credit rating in Parisian banking circles. It also makes me very skeptical of the 1697 date of birth that Betham attributes to Cantillon. Would Bolingbroke have handed over a bill worth £20,000 sterling to an eighteen year old banker who had only arrived in Paris ten months previously? Surely not.

Cantillon, after the death of the Chevalier in 1717, continued the business of acting as banker for the Stuart Court in exile as well as dealing on behalf of British and Irish emigres living and passing through Paris. The Cantillon bank dealt with literary figures such as Alexander Pope and Matthew Prior, politicians such as Bolingbroke and Irish Wild Geese ranging from soldiers to traders, from priests to court mistresses.

However, to economists, his most fascinating connection must have been with John Law.

Through their writing one can tag Law as an 18th Century Keynesian and Cantillon as a refined monetarist. Law was a believer in increasing the money supply in order to promote increases in output in a stagnant French economy. Cantillon was more cautious recognising the effects increases in the money supply would have on prices and the balance of payments when output was unresponsive to increases in demand.

Though holding different views on the role of money in the economy they were both adventurers. Given their Scottish and Irish backgrounds and their adventurer approach in living one would have expected Law and Cantillon to have been closely associated.

Up to now the only link between Cantillon and Law has been the alleged conversation between the two written by Grimm.³¹ Grimm reports Law as having said to Cantillon, "If we were in England we would have to strike a deal and settle matters, but as we are in France, I can send you this evening to the Bastille, if you do not give me your word to leave the kingdom within twenty four hours."

Cantillon is alleged to have replied "Hold on, I will not go and I will make your system succeed." Cantillon, according to Grimm, lent support to Law's system and made a fortune out of his operations but decided to leave France as he distrusted Law. His decision to leave is confirmed by Cantillon's lawyer, Maitre Cochin, who reports the economist as locking up all his papers in a strongbox which he left in safekeeping with the English Benedictines, forming a "commandite" company with Loftus and departing to Italy to shelter in safety "from the financial storm that he could see developing."³²

A document in the Minutier Central of the Archives Nationales in Paris confirms the link-up between Cantillon and Law. In this Cantillon gives power of attorney to Edmund Loftus to run his business in his absence:

" . . . and as well the said Mr. Cantillon grants power of attorney to the said Loftus that he may sign the articles of association establishing a company to be formed between Mr. Law director of the West Indies Company, Mr. Joseph Edward Gage, an English gentleman, and the said Richard Cantillon, the purpose of the said company to be the establishment of a settlement in the Mississippi Colony and this being agreed that no private property is to be committed to it by the present agreement"³³

A further document between Cantillon and Loftus, dated the 23rd of August 1719, informs us that the draft articles of association of this company of Law, Gage and Cantillon were drawn up by private treaty on the 19th of November 1718.³⁴

These documents are fascinating both to Law and Cantillon scholars on a number of counts. In the first place they indicate that Law and Cantillon were working actively together on a Mississippi related project in 1718/1719. Thus, despite Cantillon's supposed distrust of the Scotsman he was still prepared to remain linked with Law through this company.

In the second place they indicate that Cantillon must, by this stage, have already made a fortune. John Law was, with the consent of the Regent, in an extremely powerful position in France during this period. He was to all intents and purposes the Prime Minister of the day and because of the initial success of the system the most popular man in France.

Obviously the people he was involved with as business partners were rich and influential. As further proof of this we have only to look at the career of the third man in the triumvirate mentioned in this document of July 1719, Joseph Gage. Joseph Edward Gage made such a fortune out of the early stages of the Mississippi Scheme that he attempted to purchase the Kingdom of Poland from its King, Augustus. When Augustus declined the offer Gage, undeterred, attempted to buy the island of Sardinia. Gage refused to sell his Mississippi shares and was ruined by the "Great Crash" of 1720.

The reluctance to sell shares on the part of Gage and other members of his circle and indeed their enthusiasm to borrow for further speculation were instrumental in making a second fortune for Cantillon, a fortune which involved him in litigation for the rest of his life.

In March 1720, Cantillon's bank lent sizeable sums of money to people like Gage, his wife, Lady Mary Herbert, and the Carroll brothers, John and Remy. These borrowers later alleged that Cantillon charged usurious rates of interest, a charge which Cantillon refuted asserting that they confused usury with foreign exchange transaction charges. They also alleged that Cantillon immediately sold the shares he obliged them to offer as collateral for their borrowings. If this was the case then Cantillon was lending them their own money and charging them up to 55% for the privilege. Furthermore it was alleged that Cantillon had transferred the legal liability of the operations of the bank to his agent, John Hughes, and his four year old nephew, conveniently named, Richard Cantillon.

Cantillon's predictions that the System would crash were proved correct and if, as alleged, he sold the shares of the bank's clients in March 1720 he would have been able to buy them back at a very low price on the maturity of the loans. As the shares were not numbered as the bank kept a "floating stock" nobody was able to prove the charge against Cantillon.

The collapse of the System impoverished his debtors whom Cantillon pursued to repay the money he had lent them!

It is hoped that further research in both London and Paris will reveal more details on the connections between Law and Cantillon. The documents mentioned above indicate that Law and Cantillon were involved in Mississippi-related schemes at the very start of the System.

Cantillon and the Monetary Approach to the Balance of Payments

The monetary approach to the balance of payments (MAB) has usually been traced back by economists to David Hume's essays "Of Money" and "Of The Balance of Trade" published in 1752.

J. R. McCulloch states when discussing Cantillon's Analysis of Trade, "The author adopts several of the views of Hume whose Political Essays were published in 1752".³⁵

Philip Cantillon, a relative of Richard, plagiarised the *Essai* and published a bowdlerised inferior edition of it in 1759 under the title "The Analysis of Trade, Commerce, Coin, Bullion, Banks and Foreign Exchanges . . . Taken chiefly from a Manuscript of a very ingenious Gentleman deceas'd, and adapted to the present Situation of our Trade and Commerce."

What is interesting in McCulloch's quotation is the reference to Hume. McCulloch obviously felt that Cantillon had the use of Hume's essays in front of him when writing his work. However, Philip Cantillon was copying from the *Essai* written around 1730, twenty two years before the publication of Hume's Political Discourses.

The alternative question immediately arises, did Hume have an opportunity to read the *Essai* in manuscript form prior to putting his thoughts together on the price specie flow mechanism.

Hayek, in *Prices and Production*, seems convinced that Hume had read the *Essai* in manuscript form. "Better known is the somewhat shorter exposition of the same idea which David Hume gave a little later in a famous passage which so closely resemble the works of Cantillon that it is hard to believe that he had not seen one of these manuscripts of the *Essai* which are known to have been in private circulation at the time when the Discourses are written."³⁶

However, Hayek had no proof to support the assertion. He is correct in stating that manuscript copies of the *Essai* were available prior to 1755.³⁷ Malachy Postlethwayt quoted from the *Essai* in 1749 (without acknowledgement to Cantillon) in "A dissertation on the Plan, Use and Importance of the Universal Dictionary of Trade and Commerce . . . translated from the French of Monsieur Savary . . .". Fanfani asserts that Hume learnt of Cantillon's ideas through Postlethwayt but unfortunately gives no evidence to support his assertion.

However, even if Hume did read Cantillon's *Essai* in manuscript form prior to writing the Political Discourses he obviously did not read the *Essai* in depth. If he had, his monetary theory would have been far more sophisticated than that

advanced in the Political Discourses. As it is, it seems to me that if an 18th Century writer is to be selected as the originator of the monetary approach to the balance of payments the title should be given to Cantillon rather than Hume.

It is contended that Cantillon's approach is closer to the MAB than that of Hume because the *Essai* contains:

(1) A detailed analysis of the factors influencing the demand for money. J. A. Frenkel and H. G. Johnson, two of the leading exponents of the MAB, recognise that it is the demand for money function that is the linchpin of this approach.

"The essential assumption of the monetary approach, like the related quantity theory of money according to Friedman, is that there exists an aggregate demand function for money that is a function of a relatively small number of aggregate economic variables."³⁸

(2) a more eclectic adjustment process than the Humean price specie flow mechanism. This is mainly due to Cantillon's recognition of the distinction between traded and non-traded goods.

Cantillon, unlike Hume, spent a considerable amount of time investigating the factors influencing the demand for money and incorporated a cash balance effect as well as a relative price effect in his analysis of the adjustment process arising from an excessive expansion of the money supply.

Cantillon and the Demand for Money

Cantillon investigated in detail the factors influencing the demand for money, specifically recognising that changes in the velocity of circulation of money were capable of influencing economic activity just as much as a change in the money supply.

Cantillon was not the first author to introduce the velocity of circulation into monetary theory. Sir William Petty and John Locke both mentioned it.³⁹

In Chapter 5 of *Verbum Sapienti* (1665) Petty deals with money and how much is necessary to drive the trade of the nation. He specifically recognises that payment practices influence the demand for money.

"... If the revolutions were in such short circles, viz. weekly, as happens among poorer artizans and labourers, who receive and pay every Saturday, then 40/52 parts of 1 million of money would answer those ends; but if the circles be quarterly, according to our custom of paying rent, and gathering taxes, then 10 millions were requisite."⁴⁰

Locke recognised that there was some proportional relationship between money and trading activity "but what proportion that is, is hard to determine because it depends not barely on the quantity of money, but the quickness of its circulation."⁴¹

Holtrop points out that Locke implicitly understood the role that a change in the velocity of circulation would have on economic activity. He shows Locke's line of reasoning moving from a forced reduction in the interest rate to an increased

demand for cash balances which implies a smaller velocity of circulation. This scarcity of money will increase the value of money.

But whereas Petty and Locke only touch on the factors influencing the velocity of circulation Cantillon gives a systematic analysis of the factors influencing velocity in chapters 3 to 5 of Book II. The titles of these chapters indicate his keen interest in this area:

Of the Circulation of Money (Chapter 3)

Further Reflections on the Rapidity or Slowness of the Circulation of Hard Money in a State (Chapter 5)

Cantillon links the demand for money to income and payment practices.

As "land is the source of matter from whence all wealth is produced"⁴² the demand for money is related directly to agricultural activity. Agricultural income consists of, in his terminology, three rents each equal to one third of the produce of the land. They are:

- (1) The rent needed to pay the landlord for the use of the land
- (2) The rent needed to pay the farmer's maintenance and to cover the cost of hiring labour to work the farm.
- (3) The rent that makes up the farmer's profit.

But he quickly modifies this "When I stated that for the Country circulation there is needed a quantity of money often equal in value to half the produce of the land, this is a minimum; and in order that the country circulation should be easily conducted I will suppose that the ready cash which conducts the circulation of the three rents, is equal in value to two of these rents, or two thirds of the produce of the land."⁴³

This analysis has so far been carried out on the assumption that the payments requiring the use of money are made out but once a year. But if the time interval for payments is reduced, if for example payments are made on a quarterly basis, the "rapidity of circulation" of money is increased and less money is required for transactions purposes. "The proportion of the amount of money needed for circulation in a state . . . may be greater or less according to the mode of living and the rapidity of payments."⁴⁴

Making allowance for these he concludes "the money circulating in a State is equal in value to the ninth part of all the annual produce of the soil."

Cantillon notes that this estimate is close to Petty's view that the money in circulation is equal to one tenth the produce of the soil. But he goes on to add that he prefers to compare the money in circulation to landlords rents which are easily ascertainable rather than to total agricultural output, the value of which, Cantillon believed to be more difficult to ascertain because of fluctuations in prices and the amount of agricultural activity involving barter transactions.⁴⁵

He recognizes the role of commercial credits in reducing the demand for money "these exchanges by valuation seem to economise much cash in circulation, or

at least to accelerate its movement It is not without reason that it is commonly said commercial credit makes money less scarce."⁴⁶

While payment practices, commercial credits and paper money may speed up the velocity of circulation of money Cantillon cites a number of factors which may retard the velocity of circulation such as:

- (1) Urbanisation—the growth of towns and cities increases the demand for money as payments have to be made with money as against payments in kind in rural areas.
- (2) Hoarding—"Many miserly and timid people bury and hoard cash for considerable periods".⁴⁷
- (3) Money held for precautionary purposes—"Many Landowners, entrepreneurs and others always keep some cash in their pockets or safes against unforeseen emergencies and not to be run out of money."⁴⁸

Cantillon, as may be seen from the above, had a very comprehensive approach to analysing the demand for money. He has income, albeit agricultural income, as a key variable influencing the demand for money. He recognises the role of payment practices, media of exchange and urbanisation in influencing the demand for money. Like Keynes he has a precautionary motive influencing the demand for money. The inclusion of hoarding as a factor influencing the demand for money indicates that he recognised that money was held as an asset because of uncertain expectations about the future.⁴⁹

In discussing the effect of changes in the money supply on interest rates Cantillon is closer to Friedman than Keynes.

"It is a common idea, received of all those who have written on trade, that the increased quantity of currency in a state brings down the price of interest there This idea is not always true or accurate Plenty or scarcity of money in a state always raises or lowers the price of everything in bargaining without any necessary connection with the rate of interest, which may very well be high in states where there is plenty of money and low in those where money is scarcer: high where everything is dear and low where everything is cheap: high in London, low in Genoa."⁵⁰

His reasoning is closely paralleled in Friedman's AEA Presidential Address on the role of Monetary Policy:

"As an empirical matter, low interest rates are a sign that monetary policy has been tight—in the sense that the quantity of money has grown slowly: high interest rates are a sign that monetary policy has been easy—in the sense that the quantity of money has grown rapidly. The broadest facts of experience run in precisely the opposite direction from that which the financial community and academic economists have all generally taken for granted."⁵¹

If the term speculation is widened to include foreign exchange speculation, one finds in the *Essai* the demand for money being influenced by leading and lagging activity by traders.⁵² The role of inflationary expectations is also recognised at a later stage as having an influence on the demand for money.⁵³

Cantillon analyses the demand for money in this detailed manner for he understands that "an acceleration of money in exchange is equivalent to an increase of actual money up to a point."⁵⁴

Thus, like modern monetarists Cantillon has started his monetary theory by analysing the demand for money. Friedman would again be in agreement with the Ballyheigue man on this issue. "The theory is in the first instance a theory in the demand for money. It is not a theory of output, or of money income or of the price level. Any statement about these variables requires combining the quantity theory with some specifications about the conditions of supply of money . . ."⁵⁵

The Adjustment Process

Dietrich Fausten has argued recently that the Humean price specie flow mechanism is not the intellectual forerunner of the MAB.⁵⁶ In Hume's system an increase in the money supply causes a proportionate increase in prices making the exports of the country in which the money supply is expanding less competitive and imports more competitive. Exports are reduced and imports increased resulting in a balance of payments deficit. This deficit causes the money supply to contract so that balance of payments equilibrium is restored eventually.

The adjustment process of the MAB, on the other hand, operates through the cash balance effect. Perfect commodity arbitrage is assumed to that the "law of one price" prevails in goods markets. Thus it is contended that an increased money supply produces increased expenditure which produces an increased inflow of imports and a reduced flow of exports as exportables are diverted towards domestic consumption. The balance of payments deficit is seen as arising through the influence of excess cash balances on expenditure for exportables and importables rather than through prices rising relative to international prices.

Cantillon takes a more eclectic approach incorporating both a relative price effect and a cash balance effect.

Unlike Hume he does not argue that an increase in the money supply leads to a proportionate increase in prices:

"From all this I conclude that by doubling the quantity of money in a State the prices of products and merchandise are not always doubled. A river which runs and winds about in its bed will not flow with double the speed when the amount of its water is doubled."⁵⁷

Again this point is re-emphasized shortly afterwards:

"I conclude that an increase of money circulating in a State always causes there an increase of consumption and a higher standard of expense. But the dearness caused by this money does not affect equally all kinds of products and merchandise, proportionably to the quantity of money . . ."⁵⁸

He advances two reasons for this. The first reason relates to the different marginal propensities to save of the public. The new money holder may have a high marginal

propensity to save—and in the days of the gold/silver system this implied, in certain cases, taking the money out of circulation. The second reason advanced for suggesting a non-proportionality between changes in the money supply and changes in prices is the distinction he made between traded and non-traded goods.

Cantillon introduces this distinction by stating that “Market prices will rise more for certain things than for others however abundant the money may be. In England the price of meat might be tripled while the price of corn went up only one fourth.”⁵⁹

The reason for this is that corn is a traded good, that is, a good bought and sold over national frontiers whereas meat is a non-traded good. Corn could be freely imported into Britain but legislation prevented the importation of cattle.

“But what generally causes meat to become dearer in proportion than bread is that ordinarily the free import of foreign corn is permitted while the import of cattle is absolutely forbidden.”⁶⁰

The price of corn is therefore determined by the price prevailing on the international market plus transportation costs. Therefore an increase in the quantity of money will not cause any great increase in the price of corn. In the case of meat there will be a great impact because meat is a non-traded good, always assuming no great substitutability between meat and traded goods.

Cantillon emphasizes this distinction by taking other examples of non-traded goods. Timber becomes a non-traded good because its costs of transportation are so high, whereas foods such as butter, salads, milk and game become non-traded good because of their perishability.

As proof of this view of the difference between traded and nontraded good prices Cantillon writes “An ox weighing 800 pounds sells in London market for two or three ounces of silver, but commonly sells in London market for more than 40. Yet the bushel of flour does not sell in London for double the price in Poland.”⁶¹

The Publication of the Essay

Writing on the 1st of July 1755 Grimm noted:

“Nous avons depuis un mois un nouvel ouvrage sur le commerce, intitulé *Essai sur la nature du commerce en général*”⁶²

Grimm's account indicates that the *Essai* was published at the start of June 1755. The mysteries which surrounded Cantillon's life were now transferred to the book. Questions immediately arose. Why had it taken twenty one years from the death of the author to make its first appearance? Who had been instrumental in having it published? Why did it state that it was printed by Fletcher Gyles in Holborn (London) while the printing and woodcuts clearly indicated that it had been printed on the continent and Fletcher Gyles had himself died in 1741?

Where was the missing supplement mentioned so frequently by Cantillon in the first part of the *Essai*?

In manuscript 780 (Archives Nationales Paris) we are presented with a possible reason for the delayed publication of the *Essai*. The Marquis de Mirabeau writing about the *Essai*—some people would say plagiarizing the ideas of Cantillon—says that “it is time to give credit to whom it is due” but then goes on to add that he cannot give the name of the man who inspired him because “I have been assured that I would anger the family.”

But which members of the family? Cantillon's wife, Mary Anne O'Mahony, had died, as we have seen in February 1751. His only child, Henrietta, was still alive when the *Essai* was published, though her husband by her first marriage, William Matthias Howard Stafford, had died in 1751.

One possibility is Charlotte Bulkeley. She may have felt that further publicity about Cantillon was undesirable due to the legal problems encountered by the family as a result of the Mississippi Company share dealings. She may have persuaded her stepdaughter not to allow publication of the book, and after Mary Anne's death taken action herself to prevent publication. She died on October 29, 1753 and it is not implausible to suggest that the book found itself at a printer's shortly after her death.

Due to censorship laws in France at the time it was common for books to be printed in France but to bear false printing locations such as London, Amsterdam, Brussels, etc. This is certainly the case with the *Essai*.

Emile Weller in the *Dictionnaire des Ouvrages Francois Portant des Fausses Indications des Lieux d'Impression et des Imprimeurs* gives Paris as the place of publication.

Contemporary evidence in the form of a manuscript written by Joseph Hémery in the Bibliothèque Nationale in Paris indicates that the *Essai* was published in Paris and that Barrois was the printer.⁶³

Hémery was appointed “Inspecteur Pour les Affaires De La Librairie” in 1748. From November 1750 he was obliged to present an account of all new publications together with the names of their authors and printers.

Hémery kept a notebook on all the books he consulted and in September 1755 he came across Richard Cantillon's work, but it was not the *Essai* to which he referred!

On September 4, 1755 Hémery noted down in his Journal the following:

Conduite des Francois Par Rapport à la Nouvelle Ecosse Depuis Le Premier Établissement De Cette Colone Jusqu'à Nos Jours: Ouvrage où l'on expose la faiblesse des argumens dont ils se servent pour éluder la force du Traité d'Utrecht et pour justifier leur procédés illégitimes, dans une lettre à un Membre du Parlement. Traduite de l'Anglois. Avec des notes d'un Francois, dans lesquelles il disculpe sa nation des imputations dont on la charge et où en réfutant les paralogismes de l'auteur anglois, et ses fausses assertions, il établit peremptoirement les droits de la France sur ses Possessions qu'elle occupe dans l'Amerique septentrionale. Volume in 12 imprimé Barrois aux C'est feu M. Cantillon père de Madame de Stafford qui est auteur de cet ouvrage.

The Cantillon referred to is obviously Richard, the economist—father of the Countess of Stafford. However, the book referred to is not the *Essai* but a political tract: *Conduite des Francois*.

The most obvious explanation is that Hémery mixed up two books that were published around the same time. It is plausible to suppose that he had the *Essai* and the *Conduite des Francois* in front of him and he attached the author of the former to the title page description of the latter. If we accept this hypothesis then we may take this reference as proving that it was Barrois who printed the *Essai*.

The alternative hypothesis is that Cantillon not only wrote the *Essai* but also the *Conduite des Francois*. However, although the authorship of the *Conduite de Francois* is catalogued under "inconnu" in the Bibliothèque Nationale in Paris, the Dictionary of National Biography states that it was written by Thomas Jefferys and printed in London in 1754, being translated into French in 1755. The *Biographie General* attributes the translation and annotation of the *Conduite des Francois* to George-Marie Butel-Dumont.

The mystery thickens when one takes this line, as Butel-Dumont is also attributed as the translator of a number of economic works published during this period, including the *Essai Sur L'Etat Present du Commerce d'Angleterre* which was written by Josiah Tucker. The printer on the title page of this translation is Fletcher Gyles in Holborn!

This paper began with a murder and ends with a mystery. It is of course consistent with what one would expect given the complex character of Richard Cantillon. Unfortunately, I cannot give the full story at present though I am optimistic that further research in Dublin, London, and Paris will provide a more detailed account of Richard Cantillon, banker and economist.

Appendix A

The O'Connell Manuscript

Manuscript P 12/2A/209 Archives Department University College Dublin 82, St. Stephen's Green.

Hugh Cantoval¹, alias de Gandavilla a Norman name and village there, a knight by report as Gerald Cambrensis writeth, was left by Henry the second along with Robert Bernard in the government of Waterford with four hundred other knights as it is written in the history of the conquest of Ireland by William MacDermod from whom are descended the Cantillons otherwise called Coutouloons or Conthouloons; and the Condons and in the old writing of the Condons is found Canteloun which word is the same with the word Cantevilla putting the English or Norman word town for villa, Cantillons mostly now living in the countys of Kerry and Limbrick their mansion seat at Ballyheig in Kerry

Pursuant to your letter of the 15th September last I have lately received the genealogy that you wrote to me about, I find that Cantillons of Kerry were Strong-

bonians and undoubted gentlemen, and had in that country a large estate the best part of the Barroney of Clanmorrish and a more considerable estate near Killarney upon the river Lauin, made great alliances and for their personal bravery were knights of the field for the Earl of Desmond.

On the coming in of Cromwel Sir Richard Cantillon was very young and the only child then in the family, the prospect of his rise was greatly envied for which a design was formed against his life. Some friends rescued him from the danger and sent him to Leinster where he was well kept till he came of age, he then came to the county settled his affairs in Kerry went back and married the daughter of a Lawler² whose mother was daughter to the Lady Iveagh who was daughter to O'Morrough and her mother daughter to the great O'Kelley in Leinster whose mother was Daughter to an English Duke, whose mother was daughter to one of the Dauphins of France, the mother of the above Sir Richard was daughter to one John Stouk³ of Kerry commonly called Shane Darrigg, this John Stouk was married to O'Connor Kerry's Daughter and his own mother Daughter to the Lord Fitzmaurice Barron of Lixnaw in Kerry—Sir Richard died and left a son to enjoy his title and fortune whose name was Richard, he married Elenor Creagh daughter to Alderman James Creagh of Corke whose mother was daughter to Lord Roach, Sir Richard the second whose eldest son was called Thomas, said Thomas was called the Cantillon, he was married to Catherine Peerse Daughter to Patrick Peerse Aghamore, who was married to Collonele Hussies Daughter whose mother was Daughter to the great Fitzgerald of Castleisland in Kerry whose grandmother was daughter to the Earl of Desmond—after the death of Thomas his son Richard married in the County of Limerick to the great satisfaction of his friends to Bridget Cantillon, daughter to David Cantillon of Kilgobbin near Addare, the mother of the late Cantillon Thomas and of Richard Cantillon who was married in London.⁴

Another Brother of the first Thomas who was married to Frances Peerse sister to the foregoing Catherine whose son was banker in Paris and another son Captain James Cantillon in Rooths Regiment in France⁵. Ireland was subdued by the Strongbonians about the year 1171 in the reign of King Henry the Second. Hugh de Cantedavilla was chief champion to the said king on account of which he got an estate granted to him in every county in Ireland which in the different counties is called Farran an Cuntlunlig or Rarrin in Connluinig⁶.

Said High de Cantedavilla was general to Raymond Delagrose had several lieutenant generals under him Sir Hugh de Lacy and others. A sister to the foresaid Honora Lawlor was married to Bishop Crosbie whose son was Patrick father to the late Sir Thomas Crosbie⁷ of Ballyheig in the county Kerry, she had four daughters one married to MacClucoddy⁸ one McElligott one to Captain Callum and one to Captain Licett. Sir Richard of Kerry's second son his name was John, he was educated under the inspection of the Countess of Kildare and was sent up near Adare in the County of Limerick as agent maniger and receiver for her, his son was Philip Cantillon whose son David Cantillon of Kilgobbin was married to Joe Arthur sister to Sir Daniel Arthur of London and paris, so that Richard Cantillon eldest son

to Thomas Cantillon is the first Cantillon and Bridget Cantillon was three and three a kin⁹, and obliged to get a dispensation for their marriage, the said David Cantillon was father to Philip Cantillon of Ballyphilip¹⁰ who was married to Honora Rice daughter to James Rice esquire of Ballyneeting in the County of Limerick. He was high Sheriffe of the County Limerick and cousin german to Sir Stephen Rice, Lord Chief Barron of the Exchequer in Dublin. It may not be amiss to give a short account of John Darrigg Stack who had very large estates in Kerry¹¹.

Commentary on Appendix A

The author or date of this manuscript is unfortunately unknown. It is part of the O'Connell manuscripts held in the Archives Department, University College Dublin. The O'Connell family was connected with the Limerick Cantillons through the marriage of Maurice "Hunting Cap" O'Connell (1726-1825), uncle of Danile O'Connell, to Mary Cantillon daughter and co-heiress of Robert Cantillon of Ballyphilip, Co. Limerick. The marriage took place around 1758/59.

However, the manuscript seems to have been written prior to 1750. Despite the absence of a watermark on the paper the archivists in University College Dublin are quite certain that it is an 18th Century document. There are a number of clues which indicate that it was probably written prior to 1750. The manuscript refers to the late Sir Thomas Crosbie and the late Thomas Cantillon. The former died in 1730 and it is believed that Thomas Cantillon died in 1736. There is no mention of nieces or nephews of the economist or of Captain James Cantillon's son Thomas, a hero at the battle of Lauffelt in 1747. Consequently it is believed that it was written between 1736 and 1750.

The manuscript seems to be a copy of another document with the original document representing a mixture of written work and the oral tradition on the Cantillon family. The transcriber is obviously unfamiliar with gaelic spelling and also spells names such as Lawlor and Stack in different ways in the text.

The early part of the genealogy is inaccurate in dealing with Sir Richard Cantillon I and his alleged wife Honora Lawlor. There is also an inconsistency relating to the degree of kinship of the economist's parents.

However, as it moves through time the account of the Cantillon family becomes very accurate when dealing with the Chevalier Richard, Captain James, the economist's parents, Philip Cantillon of Ballyphilip and so on. As such it is a valuable contemporary 18th Century document on the Cantillon family and helps us to piece together the complicated interrelationships of the family with far greater precision.

NOTES

1. Joseph Hone, "Richard Cantillon, Economist-Biographical Note," *Economic Journal*, No. 213, LIV. (April 1944)

2. *Notice Historique*, "Genealogique et Biographique de la Famille De Cantillon Par le Chevalier O'S . . . , Gentilhomme Irlandais, Benard et Compagnie," (Paris, 1844.)
3. John Nagle, *Richard Cantillon of Ballyheigue, Studies*, (Dublin, March 1932.)
4. Public Records Office London, PROB 11, 684.
5. *Ibid.*
6. Mary O'Connell, daughter of Robert Cantillon of Ballyphilip, married Maurice "Hunting Cap" O'Connell around 1758.
7. Mss. 230, Gilbert Collection, Dublin City Library.
8. G. Antonetti, *Autour de Cantillon*, Monograph 29 (1968-69), "Mémoires de la Société pour l'Histoire du Droit et des Institutions des Anciens pays Bourguignons, Comtois et Romands," Faculty of Law and Political Science, Dijon.
9. BN Dossier Bleu 3889, Higgs quotes this manuscript on p. 365 (Higgs 1931) but spells Hawkins incorrectly as Hocking.
10. Dermot O'Connor was a well-known scholar of the first half of the 18th Century. He is perhaps principally remembered for his translation of Geoffrey Keating's *Foras Feasa ar Eirinn* which appeared in 1723. Manuscripts in Trinity College with Dermot O'Connor's signature conform to the signature of O'Connor on Manuscript 159.
11. Richard Hayes, *Biographical Dictionary of Irishmen in France*, *Studies* June 1942, p. 242.
12. *Ibid.*
13. *Ibid.*
14. M. A. Hickson, *Selections from Old Kerry Records* (London, 1874).
15. Public Records Office, Dublin, *Lodge's Records of the Rolls volume VI, Grants of Lands, Leases and Deeds in the Reign of King Charles*.
16. Crosbie Family Correspondance, Mss.20,600, National Library of Ireland.
17. *Census or Population 1659*, ed. by Seamus Pender (1939).
18. Crosbie of Ardfer Papers, Mss.3821/32, Manuscript room, Trinity College.
19. M. A. Hickson, *Selections*.
20. Deed No. 2779, Registry of Deeds Office, Dublin.
21. Royal Irish Academy Mss. 12 M 12, P.269 "Lines on Viewing What Once Was Rathmorrell Castle" together with a commentary from which the above statement is taken. The writer, one J. H. Stack of Listowel, mentions that Ballynoe House is owned by the Revd. A. Stoughton, no doubt a relative of the Henry Stoughton mentioned in footnote 20.
22. *Memoire Pour Richard Cantillon Contre Jean et Remi Carol*, BN Paris, Fm 2,740.
23. M. Freron, *L'Année Littéraire—Année 1755*, Vol. 5 (Amsterdam).
24. A.N. Min., *Etude LXVI*, 335, 18th February 1715.
25. Historical Manuscripts Commission. Volume 5. Denbigh Mss. p.120.
26. A.N. Min., *Etude 1*, 258 August 11, 1714.
27. A.N. Min., *Etude LXVI*, 356 July 15, 1715.
28. A.N. Min., *Etude LXVI*, 358 February 17, 1716
29. *Almanach Royal*, between 1716-1717 the bank operated as Richard Cantillon & Junior, rue de l'Arbre Sec. In 1718 it traded as Richard Cantillon, rue de la Monnoye.
30. A.N. Min., *Etude LXVI*, 368 21st of March 1719.
31. *Correspondance Littéraire, Philosophique et Critique de Grimm et de Diderot depuis 1753 Jusqu'en 1790*. Nouv. ed (Paris, 1829) V.1, pp. 332-41.
32. *Mémoire pour Richard Cantillon Contre Jean et Remi Carol*. (Paris, 1730) Fol. Fm. 2740. (Bibliothèque Nationale p. 2.)
33. A.N. Min., *Etude LXVI*, 370, July 31, 1719.
34. A.N. Min., *Etude LXVI*, 370, August 23, 1719.
35. J. R. McCulloch, *The Literature of Political Economy*.
36. F. Von Hayek, *Prices and Production*, p.9.

37. INED Edition of the *Essai* (Paris 1952), Introduction by Amintore Fanfani.
38. J. A. Frenkel and H. G. Johnson, "The Monetary Approach to the Balance of Payments: Essential Concepts and Historical Origins," in the *Monetary Approach to the Balance of Payments*, ed. J. A. Frenkel and H. G. Johnson (1976).
39. For a more detailed treatment of Petty and Locke's arguments see M. W. Holtrop. "Theories of the Velocity of Circulation of Money in earlier Economic Literature," *Supplement to the Economic Journal* 1926-9, pp. 503-524.
40. *The Economic Writings of Sir William Petty*, ed. by Charles Hull, (New York, 1963).
41. John Locke, *Some Considerations of the Consequences of the Lowering of Interest and Raising the Value of Money In a Letter sent to a Member of Parliament 1691* (The Works of John Locke Vol. II London 1740) p.13.
42. *Ibid.* p. 2 (All page references are to the R.E.S. reprint of the *Essai*, edited by H. Higgs, London, 1931).
43. *Ibid.* p. 127.
44. *Ibid.*, p. 129.
45. From an estimate of the Bank of England's banknote issue of £750,000 given on page 307 Cantillon implies a British money supply of £7.5 million. As he holds that the money supply corresponds to about one ninth of total agricultural output (one third of the landlord's rent) his estimate for British GNP (based on agricultural output) was £67.5 million.
46. *Ibid.*, p. 141.
47. *Ibid.*, p. 147 (stressed again on p. 175).
48. *Ibid.*, p. 147.
49. He also recognised the speculative motive "if at London a person sells his South Sea stock . . . hoping that in short time he will be able to buy at a lower price stock in the same South Sea company, he always takes banknotes" (*Essai*, p. 315).
50. *Ibid.* p. 213.
51. Milton Friedman, *The Role of Monetary Policy*, reprinted in the *Optimum Quantity of Money*, (Macmillan 1969) p. 100-101.
52. *Ibid.*, p. 259.
53. *Ibid.*, p. 289.
54. *Ibid.*, p. 161.
55. M. Friedman, *The Quantity Theory of Money, A Restatement, Studies in the Quantity Theory of Money*, edited by Milton Friedman (Chicago 1956), p. 4. Given Friedman's admission in *Post-War Trends in Monetary Theory and Policy* (*National Banking Review*, Vol. 2 No. 1, September 1964) that "the reformulation of the quantity theory of money in a way has been much influenced by Keynesian liquidity analysis" it could be argued that Keynes would have agreed also with Cantillon.
56. Dietrich Fausten, "The Humean Origin of the Contemporary Monetary Approach to Balance of Payments," *Quarterly Journal of Economics* XCIII (November 1979), No. 4.
57. *Ibid.*, p. 177.
58. *Ibid.*, p. 181.
59. *Ibid.*, p. 179.
60. *Ibid.*, p. 173.
61. *Ibid.*, p. 179.
62. *Ibid.*, Op.Cit.
63. Joseph d'Hemery, *Journal de la Librairie*, B.N., Manuscrits Francais 22159, p. 131.
64. For further details on Hémery see Jean Louis and Maria Flandrin—*La Circulation du Livre Dans La Société, du 18e Siècle*, published in *Livre et Société dans la France du 18e siècle*, ed. by Francois Furet (1970).

APPENDIX NOTES

1. James Terry in his letter to Richard Cantillon confirmed that his first ancestor to come to Ireland was Hugh Cantillon. In his letter from Versailles, Terry goes on to add "... the first of your family that landed at the conquest with King Henry the Second was Hugh Cantillon."
2. This is incorrect. Both Betham and Hickson show that it was Thomas Cantillon who married Honora Lawlor. Thomas Cantillon died in 1613 long before Cromwell's arrival in Ireland.
3. This seems to be a misspelling; later on the name is written as John Stack.
4. This is Richard Cantillon, the economist. The parentage given here confirms that presented in the Hawkins genealogy.
5. Richard, the Banker in Paris, is the Chevalier Richard. A.N. Min., Etude LXVI, 363 (30th August 1717) confirms that the Chevalier Richard and Captain James Cantillon were brothers. Thus, the account is very accurate here as it is on Captain James Cantillon's regiment. He was in Dorrington's Regiment which became Roth's Regiment in 1718.
6. This represents an attempt to reproduce the original Irish script (Farrin an Chonnluinigh) which the writer was obviously unfamiliar with. It shows that this manuscript was copied from some other document.
7. Sir Thomas Crosbie died in 1730 as a result of the exposure and fatigue he suffered when involved in the rescue of the Golden Lyon, a Danish East Indiaman driven ashore in Ballyheigue Bay. Silver bullion and coin carried by the ship were stored by Crosbie in a stone tower which was part of a feudal keep formerly held by the Cantillons. The silver was stolen from the keep in 1731 and a Thomas Cantillon was alleged to have masterminded the robbery (See Hickson, *Selections*.)
8. Conor McGillicuddy's (Carhuebeg County Kerry) first wife was Joan, daughter of John Crosbie, Bishop of Ardfert and Aghadoe (See the McGillicuddy Papers, ed. by W. Maziere Brady, London, 1867).
9. The relationship as given is three and four a kin rather than three and three a kin as stated. This inconsistency confirms that there is something wrong with the earlier part of the genealogy.
10. A Philip Cantillon, of Ballyphilip, is listed in the Book of Adjudications on July the 6th 1699—See J. G. Simms, "Irish Jacobites," *Analectica Hibernia*, No. 22, 1960, p. 109. He died between 1699 and 1701 as his Will dated 1701 is listed in the Index to Limerick, Ardfert and Aghadoe Wills, *Index to Irish Wills*, Vol. 111, ed. by Gertrude Thrift (London 1913).
11. The last twenty four lines relate to the Stack family and are not of direct interest to the account on the Cantillon Family.