

Cantillon, Mirabeau and Quesnay on the production and trade of wine

*Richard van den Berg*¹, *Albert E. Steenge*²

Kingston University, University of Groningen, UK and Netherlands

(July 2012, Final Version: September 2012)

Abstract

This paper discusses the evolution of the ideas about the consumption and production of wine from Cantillon to Quesnay. Assuming strict limits on quantities of arable land, Cantillon argues that wine production reduces the land available for the production of food and hence limits the size of the working population. He also argues that the export of wine in exchange for foreign manufactures is always detrimental to the country with the more "land intensive" wine production. These misgivings disappear in physiocratic theory due mainly to the assumption that the introduction of capital intensive techniques and specialization will afford great gains in agricultural productivity. These differing views constitute early theories of the optimal use of natural resources.

JEL classification: Cantillon, Physiocracy, International trade

Keywords: B11, B15, B31.

¹Kingston University, Kingston Upon Thames, Surrey, UK.

²Corresponding author: a.e.steenge@rug.nl, University of Groningen, Groningen, The Netherlands.