Searching for traces of Norwegian economic thought

Intro
When trying to find the traces of Norwegian economic thought, we should be aware that most economic questions until very recently were dealt with within a framework of religious, philosophical, legal, natural science, and political thinking. Economics emerged as an independent discipline around the beginning of the 19th century. Behind the seemingly unconnected and fragmented pieces of economic thinking there thought patterns in the Norwegian economic thought that reflect the pattern in other societies. This reflection is sometimes weak, but still, Norwegian economic thought has been part of a wider international thought traditions from Christianization around 1000 A.D., perhaps even before that.

Economic thinking before the Viking Age. Mythology
Exchange of goods have existed from the earliest time, with primitive market system within the small tribes. Very little documentary evidence can be found. The thinking may not have been very different from that found in primitive societies through history. Rock carvings can be found but difficult to interpret.

Agriculture adopted about 5000 years ago. About the beginning of the Christian era the limit for grain agriculture was much farther north than it is today. Improved seafaring vessels allowed exchange of grain and fish. From around 8th century the Norwegian overcame the difficult sea between Norway and Europe with the help of good shipbuilding technology, opening up for exportation of dried fish and timber. The first evidence on the exportation of lumber wood is from 1230. The simple technology of the waterdrives saw made it possible to build up a lumber industry that lasted for centuries in Norway.

The oldest money found in Norway stems from between 161 and 211 AD and was foreign money. The first Norwegian money that is found originated from Eirik Blodøks, and the first ruler of the whole kingdom Norway that made his own money was Olav Haraldsson.
The contact with Europe became an important source for cultural impulses, and around year 1000 Norway became Christianized and unified. Civil wars were frequent. The capital moved Trondheim until Bergen (with only 5000 citizens) took and from 1572 Oslo was capital.

Mythology and sacrifice. Edda.

The poor sources, and the sometimes contradicting sources, that exist about the nordic mythology make it necessary to be careful about interpreting the economic thought in the early Norwegian civilization. One of the interpretations about the creations of cosmos in the nordic mythology may possibly build up under the hypothesis about the feeling of natural balance and natural laws. In the very beginning, everything was chaos, but in the together melting of the Nivlheim’s coldness and the fire of Muspell, the poison ice in Nivlheim made the first creation Yme. When Yme sweating in sleep it grows out a manlike and womenlike beings from the sweat drops, and these were jotnar.

There was three kind of gods in nordic mythology, and two of them, æser og vaner, represented the cosmos or the cultural forces. The jotner represented the chaos forces or the wild nature. The gods could be both good and evil. The cosmos forces was created of the gods that appeared when the primordial cow Audhumbla licking the salt stones. When this gods killed Yme that appeared together with Audhumbla, they created the world out of Yme’s body, the natural laws and the directions and courses for sun, moon and the stars. But the order these gods created was always threatened, and therefore the humans was created for the purpose to help the gods in the fight against chaos.

Viking age

Ottar’s Voyage

Ohthere (Ottar) of Halgoland (Hålogaland) was a Viking adventurer who around 890 AD travelled to the court of of Alfred the Great, king of Wessex, where he gave an account of his recent voyage. It is a most important source from the Viking Age and tells of the life, observations, economy and travels of Ottar. The account was included in in the king’s translation from Latin of a classic work
Historiarum adversum Paganos Libri Septem [Seven Books of History against the Pagans], originally composed in the fifth century.

Ohthere was a man of wealth and influence, who sailed from Halgoland round the North Cape into the Cwen-Sæ [White Sea], and entered the mouth of the river Dvina, the voyage ending were there is now Archangel, the northernmost Russian sea port. Ohthere afterwards made a second voyage from Halgoland along the west and south coast of Norway to Scirringeshael (Kaupang) and then southward to the Danish port æt Haedum, the capital town called Sleswic by the Saxons and Haithaby [Hedeby] by the Danes.

Ohthere's story is the earliest known written source for the terms ‘Norway’ and ‘Denmark’, rendered by Ottar as Norðweg and Denamearc.

Ohthere's Account

Ohthere told his lord, King Alfred, that he lived to the north of all the Northmen. He says that he dwelt on the mainland to the northward, by the
west sea; that the land, however, extends to a very great length thence onward
to the north, but it is all waste, except in a few places where the Finlanders
occasionally resort, for hunting in the winter, and in the summer for fishing
along the sea-coast. He said that he was determined to find out, on a certain
time, how far this country extended northward, or whether any one lived to
the north of the waste.

With this intent he proceeded northward along the coast, leaving all the
way the waste land on the starboard, and the wide sea on the backboard, for
three days. He was then as far north as the whale-hunters ever go. He then
continued his voyage, steering yet northward, as far as he could sail within
three other days. Then the land began to take a turn to the eastward, even
unto the inland sea, but he knows not how much further. He remembers,
however, that he stayed there waiting for a western wind, or a point to the
north, and sailed thence eastward by the land as far as he could in four days.
Then he was obliged to wait for a due north wind, because the land there
began to run southward, quite to the inland sea; he knows not how far.

He sailed thence along the coast southward, as far as he could in five
days. There lay then a great river a long way up in the land, in to the mouth of
which they entered, because they durst not proceed beyond the river from an
apprehension of hostilities, for the land was all inhabited on the other side of
the river. Ohthere, however, had not met with any inhabited land before this
since he first set out from his own home.

All the land to his right during his whole voyage, was uncultivated and
without inhabitants, except a few fishermen, fowlers, and hunters, all of whom
were Finlanders; and he had nothing but the wide sea on his left all the way.
The Biarmians, indeed, had well cultivated their land; though Ohthere and his
crew durst not enter upon it; but the land of the Torne-Finnas was all waste,
and it was only occasionally inhabited by hunters, and fishermen, and fowlers.

The Biarmians told him many stories, both about their own land and
about the other countries around them; but Ohthere knew not how much truth
there was in them, because he had not an opportunity of seeing with his own
eyes. It seemed, however, to him, that the Finlanders and Biarmians spoke
nearly the same language.

The principal object of his voyage, indeed, was already gained; which was,
to increase the discovery of the land, and on account of the horse-whales,
because they have very beautiful bone in their teeth, some of which they
brought to the king, and their hides are good for ship-ropes. This sort of whale
is much less than the other kinds, it is not longer commonly than seven ells: but
in his own country (Ohthere says) is the best whale-hunting; there the whales
are eight and forty ells long, and the largest fifty; of these, he said, he once killed (six in company) sixty in two days.

He was a very rich man in the possession of those animals, in which their principal wealth consists, namely, such as are naturally wild. He had then, when he came to seek King Alfred, six hundred deer, all tamed by himself, and not purchased. They call them rein-deer. Of these six were stall-reins, or decoy deer, which are very valuable amongst the Finlanders, because they catch the wild deer with them.

Ohthere himself was amongst the first men in the land, though he had not more than twenty rother-beasts, twenty sheep, and twenty swine; and what little he ploughed, he ploughed with horses. The annual revenue of these people consists chiefly in a certain tribute which the Finlanders yield them. This tribute is derived from the skins of animals, feathers of various birds, whalebone, and ship-ropes, which are made of whales' hide and of seals. Everyone pays according to his substance; the wealthiest many amongst them pays only the skins of fifteen martens, five reindeer skins, one bear's skin, ten bushels of feathers, a cloak of bear's or otter's skin, two ship-ropes (each sixty ells long), one made of whale's and the other of seal's skin.

Ohthere moreover said that the land of the Northmen was very long and very narrow; all that is fit either for pasture or ploughing lies along the sea coast, which, however, is in some parts very cloddy; along the eastern side are wild moors, extending a long way up parallel to the cultivated land.

The Finlanders inhabit these moors, and the cultivated land is broadest to the eastward, and, altogether, the more northward it lies, the more narrow it is. Eastward it may perhaps be sixty miles broad, in some places broader; about the middle, thirty miles, or somewhat more; and northward, Ohthere says (where it is narrowest), it may be only three miles across from the sea to the moors, which, however, are in some parts so wide that a man could scarcely pass over them in two weeks, though in other parts perhaps six days.

Then parallel with this land southward is Sweoland, on the other side of the moors, extending quite to the northward; and running even with the northern part of it is Cwenaland. The Cwenas sometimes make incursions against the Northmen over these moors, and sometimes the Northmen on them; there are very large meres of fresh water beyond the moors, and the Cwenas carry their ships overland into the meres, whence they make depredations on the Northmen; they have ships that are very small and very light.

Ohthere said that the shire which he inhabited is called Halgoland. He says that no human being abode in any fixed habitation to the north of him. There is a port to the south of this land, which is called Sciringes-heal. Thither
he said that a man could not sail in a month, if he watched into the night, and every day had a fair wind; and all the while he shall sail along the coast; and on his right hand first is Island, then the islands which are between Island and this land.

Then this land continues quite to Sciringes-heal; and all the way on the left is Norway. To the south of Sciringes-heal a great sea runs up a vast way into the country, and is so wide that no man can see across it. (Jutland is opposite on the other side, and then Sealand. This sea lies many hundred miles up into the land.) Ohthere further says that he sailed in five days from Sciringes-heal to that port which men call Æt-Hæthum, which stands between the Winedæ, the Saxons, and the Angles, and is subject to the Danes.

When Ohthere sailed to this place from Sciringes-heal, Denmark was on his left, and on his right the wide sea, for three days; and for the two days before he came the Hæthum, on his right hand was Jutland, Sealand, and many islands; all which lands were inhabited by the English, before they came hither; and for these two days the islands which are subject to Denmark were on his left.

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In earlier times the market place had a more limited role. Instead the economic activity was organized by the help of institutions like moral norms of gift and mutual help between locals. The economic life in the middle ages in Norway, as well as in other premarket economies in the world, was very much organized by the collective work efforts. The tradition of giving was also common in this premarket economy and was a way redistribution. For example in Håvamål, we find expression of this as moral rules one should follow.

But also in early Viking age written sources are scarce.

Texts from the Viking age, sagas et al.
The King’s Mirror is an educational text from around 1250, part of the medieval genre of speculum literature dealing with politics and morality. Originally intended for the education of King Magnus Lagabøte, the son of King Håkon Håkonsson, it has the form of a dialogue between father and son. The son asks, and is advised by his father about practical and moral matters, concerning trade, the hird, chivalric behavior, strategy and tactics. The text also deals with the relation between church and state and it gives advice on seafaring and trading.

The King’s Mirror - Content

Prologue
1. The son states the purpose of the work, useful as he considers it to be both as a King’s Mirror and as a handbook for a wider audience.

First part. The merchant and the natural world
2. The dialogue between father (himself a kingsman) and son begins.
3-4. The business and customs of the merchant
5. The sun and the winds
6-7. The sun’s course
8. The marvels of Norway
9. Scepticism about the genuineness of marvels
10-11. Marvels of Ireland
12-15. Marvels of the Icelandic sea (eg. whales) and of Iceland (eg. volcanoes, springs)
16-20. Marvels of Greenland its waters, animals, products, climate, etc.
21. Cold and hot zones of the earth

Second part. (1) The king and his court
24. The king and his court
25. The importance of courtesy () in the royal service
26. Advantages from serving in the king’s household
27. Classes among the kingsmen (konungsmenn): hirdmenn, gestir, general
officials and officials who serve the king abroad
28. Honour position of kingsmen
29. The hirð, top layer of kingsmen
30. How to approach the king for a post in the hirð
31. Why not to wear a mantle in the king's presence
32-34. Rules of speech and conversation in the king's hall
35-36. Relation between the quality of crops and the moral standard of government
37. Duties, activities and entertainments of royal guardsmen
38. Weapons of offence and defence
39. Military engines
40-41. Proper manners and customs at the royal court

(2) Truth and justice
42. God's justice
43-44. Responsibilities and position of the king
45. The importance of leniency in the king's judgment
46-49. The importance of severity in the king's judgment, and the Fall of Lucifer
54. The king's prayer
55. The king's judicial business (again)
56. Speech of wisdom
57-58. The king's judicial business (again)
59-60. Mercy and severity of judgment
61-62. Capital punishment
63. God's judgment in the story of David and Saul
64-66. Judgments of Solomon
67. Solomon's broken promise to Joab
68. When to keep or break promises
69. Kingship, church and God
70. The authority of kings and bishops

The dialogue opens like this:

Son. Good day, sire! I have come to see you as it behooves a humble and obedient son to approach a loving and renowned father; and I pray you to listen with patience to the questions that I have in mind to ask and kindly to vouchsafe an answer to each one.

Father. Inasmuch as you are my only son, I am pleased to have you come often to see me, for there are many subjects which we ought to discuss. I shall be glad to hear what you wish to inquire about and to answer such questions as are discreetly asked.

Son. I have heard the common report as to your wisdom, that in all the land it would be difficult to find a man who has greater insight into every form of knowledge than you have; for all those who have difficult matters to settle are eager to get your decision. I have also been told that the same was true when you were at the royal court, and that the entire government, lawmaking, treaty making, and every other sort of business, seemed to be guided by your opinion. ...

Father. It pleases me to hear you speak in this wise, and I shall be glad to answer; for it is a great comfort to me that I shall leave much wealth for my own true son to enjoy after my days; but I should scarcely regard him as a son, though I had begotten him, if he were a fool. Now if you seek understanding, I will show you
the basis and the beginning of all wisdom, as a great and wise man once expressed it: to fear Almighty God, this is the beginning of wisdom. ...

**Son.** This is indeed loving counsel, such as one might expect from you; besides, it is good and easily learned by every one whom fortune follows. Still, if one is to be reputed a wise man, it will surely be necessary to take up many things that pertain to the various crafts.

**Father.** This is the beginning and the alphabet of every good thing. But through the alphabet one learns to read books, and in the same way it is always better the more crafts are added to this art. For through the crafts a man gains wisdom whatever the calling that he intends to follow, whether that of kingsman, yeo-man, or merchant.

Here follows an excerpt from chapters 35 and 36 on the dearth of crops and dearth of morals and government.

**Father.** It may happen sometimes that a husband-man who is accustomed to eat good bread and clean food has to mix chaff or bran with his flour so as to make his bread and that of his household last longer than common; ...and such cases result from grinding necessity, that is, from crop failures. But scarcity arises in many ways. Sometimes there is dearth of grain, even when the earth continues to yield grass and straw, though at times it gives neither. There are times, too, when the earth gives good and sufficient fruitage, and yet no one is profited, for dearth is in the air, and bad weather ruins the crops at harvest time. ...It can also happen at times that vegetation flourishes at its best, and there is no dearth; and yet there may be great scarcity on some man's farm or among his cattle, or in the ocean, or in the fresh waters, or in the hunting forests. Sometimes when everything goes wrong, it may even come to pass that all these failures occur together; ... All these forms of dearth which I have now recounted must be regarded as great calamities in every land where they occur; ...

There remains another kind of dearth which alone is more distressing than all those which I have enumerated: ... there may come failure in the morals, the intelligence, or the counsels of those who are to govern the land. For something can be done to help a country where there is famine, if capable men are in control and there is prosperity in the neighboring lands. But if dearth comes upon the people or the morals of the nation, far greater misfortunes will arise. For one cannot buy from other countries with money either morals or insight, if what was formerly in the land should be lost or destroyed. ...
Son. I see clearly now that troubles may befall men in many ways, the mighty as well as the humble, kings as well as cotters. But as you have given me this freedom and have allowed me to question you in our conversation, I shall ask you to enlarge somewhat fully upon this speech before we take up another. What is your opinion as to the causes of such a severe dearth as may come upon the minds of men, so that all is ruined at the same time, insight and national morals? ...

Father. What you have now asked about has its origin in various facts and occurrences of a harmful character. I believe, however, that such misfortunes would rarely appear among the people who inhabit and till the land, if the men who govern the realm were discreet and the king himself were wise. Trouble has come when a chieftain, who possessed both wealth and wisdom and who had been highly honored by the king, having sat in his council and shared largely with him in the government, departed this life leaving four or five sons in his place, all in their early youth or childhood. Then the king and the whole realm have suffered immediate injury: the king has lost a good friend, an excellent adviser, and a strong bulwark. Next the man’s possessions are divided into five parts, his household sinks in importance, since each of the sons has but a fifth of all the power that the father derived from his means while he was living, ... Greater still will the change be if he leaves no son at his decease but as many daughters as I have now counted sons; ...

... And if it should happen ... that a king depart this life and leave a young son who succeeds to the paternal kingdom, though a mere child, and young counselors come into the places of the old and wise advisers who were before, if all these things that we have now recounted should happen at one time, then it is highly probable that all the government of the realm would be stricken with dearth, and that, when the government goes to ruin, the morals of the nation would also fail to some extent.

There still remains the one contingency which is most likely to bring on such years of dearth as produce the greatest evils; and unfortunately there are no fewer instances of such issues than of those that we have just mentioned. If a king who has governed a kingdom should happen to die, and leave behind three or four sons, and the men who are likely to be made counselors be all young and full of temerity, though wealthy and of good ancestry, since they have sprung from families that formerly conducted the government with the king, - now if a kingdom should come into such unfortunate circumstances as have been described, with several heirs at the same time, and the evil counsel is furthermore taken to give them all the royal title and dignity, then that realm must be called a rudderless ship or a decayed estate; it may be regarded almost as a ruined kingdom, for it is sown with the worst seeds of famine and the
grains of unpeace. ... Before long the seeds of hostility begin to sprout, avarice and iniquity flourish, and men grow bold in manslaying, high-handed robbery, and theft.

(...)

But whenever famine, murder, and warfare begin to arrive together and visit all those who inhabit the realm, the kingdom will be brought near to utter weakness and ruin, if the period should continue any length of time. Though laws and useful customs may have been observed and maintained to some extent in the times mentioned earlier, they will be wholly forgotten whenever such times appear as those that we have just now described; for in warfare the best men and those of the noblest kinship are destroyed. But failure of crops, rapine, and unpeace of every sort that may then appear will rob those of wealth who are in possession of it and have acquired it honestly, while he gets it who can most readily deprive others by theft and plunder.

The King’s Mirror also has this story of an odd creature:

“It once happened in that country (and this seems indeed strange) that a living creature was caught in the forest as to which no one could say definitely whether it was a man or some other animal; for no one could get a word from it or be sure that it understood human speech. It had the human shape, however, in every detail, both as to hands and face and feet; but the entire body was covered with hair as the beasts are, and down the back it had a long coarse mane like that of a horse, which fell to both sides and trailed along the ground when the creature stooped in walking.” (Chapter 10)

Perhaps it can be suggested that *The King’s Mirror* anticipated the topographic-economic tradition which emerged in the 17th century.

**Legal rule**

Magnus Lagabøte’s *Landslov* was another step in integration. It also assigned tasks to the central government such ensuring that it was enough grain set aside as seed for the coming year.

*Landloven* was worked out by professional legislators with education in the Roman and Canon law. This legislation became the main body of the laws in
Norway up to the Christian V’s Norwegian law 1687. Landsloven stated that four sisters Truth, Peace, Justice and Forgiveness always had to agree in a judge. This was in fact an allegory from The King’s Mirror, and reflects the important influence it had in the Norwegian society in the middle ages.

An early recorded first attempt to implement trade policy was when king Sverre spoke against drunkeness in 1186. The Hanseatic businessmen brought cheap wine into Norway, and king Sverre urged the people not to get drunk. He praised the English for having exported wheat and honey, fine flour and nice clothes to Norway, while the members of the Hanseatic League on the other hand sold wine that made people drunk and took away with them bought the valuable cod fish and butter. Sverre distinguished between useful and useless commodities. In 13C and 14C many legal restrictions like maximum prices and export embargos were imposed but there were also made legal regulations for making the markets in the commercial cities functioning better.

**Trade**

Norway was an independent and united kingdom with a reasonably well run state and church organization until the plague (black death) hit the country in about 1340, resulting in extreme depopulation. The Hanseatic league people brought grain from the Baltic to Norway, and fish from Norway to Western Europe, and clothes from Western Europe back to the Baltic sea, this triangular route has been documented Arnved Nedkvitne.

The Hanseatic organization emerged already in the twelfth century in Norway and they captured the trade hegemony from the 1250’s through a royal privilege. After the black death it took over all trade activity along the Norwegian coastline. The Hansa activity reached the top with the reformation, and was liquidated completely in 1754. The decline started after the reformation when the Dutchmen took over more of the trade functions (buying and transport). The Dutchmen started already in the end of the fifteenth century to buy timber with the Norwegians along the coast, and then the commercial cities was established with monopoly privileges to trade with the foreigners. The Norwegians earned more with specializing in exporting dried fish and importing grain than producing everything they needed by themselves. But they also became more dependent of the trade with the Hanseatic people.
When the watersaw came to Norway in the early sixteenth century that make a revolution in the production of lumber for export to Denmark and England, but the Dutchmen took more and more of this transport until 1651 when the Navigation Act gives the Norwegian the possibility to build up their own shipping industry.

In the fifteenth century we see the emerging characteristics of the capitalistic society with the transformation from the clan society to the nuclear family, from collective ownership to the private property, the emergence of the market system, and a legislation for contracts. The individualism spread more and more.

**The whole state policy emerge**

From about 1340 Norway became part of a union with Denmark based on equal rights, but from around 1380 Denmark becomes so strong compared to Norway so that Norway becomes a more subordinate part. From the reformation in 1536 Denmark take completely control in the Danish-Norwegian Union, and Norway became a part of Denmark just as Holstein and other of the districts. The new economic policy is the “whole state policy”, where Norway should complement to the Danish country with raw products.

**Norwegians in the Aristotelian economic thought?**

Because of the poor source materials, especially caused in the wake of the reformation where a lot of books and other written material was burned or destroyed, it is difficult to show how much the Norwegian took part in re-emergence of Aristotelian economic thought. The canons and bishops in Norway had normally education from the University of Paris and Bologna from the 13C. The knowledge they received was promoted further in Norway in the cathedral schools and in the chapter houses. Pål Bårdsson came back to Norway with a doctoral degree from Orléans in 1326, having studied Roman law beside of philosophy and Latin. It seems likely that he had received training in scholastic economic theory at the master and doctor level since the Aristotelian economics was taught on the highest levels in the educational system in Europe. Academic books were copied and brought to Norway. It is
likely that the Aristotelian economics was known and studied by the Norwegian intellectuals despite Norway was in the outskirts of Europe.

**Students travelling abroad**

Norwegian students travelling abroad from the beginning of 1200 till 1350 went mainly to University of Paris, and from 1350 till 1400 to Rostock, Erfurt and Leibzig. From 1450 they travelled to Greifswald and Cologne.

The first universities in Scandinavia were Uppsala in 1477, and Copenhagen in 1479. In 14C it was in practice an precondition to get clerical positions in Norway to have education from an university. After reformation in Denmark-Norway it was forbidden to study abroad without studying in Copenhagen first. From 1629 it became compulsory with theological degree from Copenhagen to get an clergy position in Denmark-Norway.

In the periode 1536-1660 it was immatriculated 492 Norwegian at universities outside Denmark-Norway. 130 of the 492 Norwegian students were immatriculated in Rostock.

**The mercantilistic age: ca. 1619 by Christian IV up to ca. 1730.**

The tariff policy was up to 1651 mostly for the fiscal purpose, but in 1651 the mercantilistic ideas became implemented in the Danish-Norwegian tariff policy. The tariff from 1651 reads that the excess of export over import should be reached by let more goods go out of the country than coming into it. It was many prohibition on import or heavy import restrictions, while the exportation should be eased as much as possible. This principles was strengthen in the tariff from 1669, and peaked in the tariff from 1683 when it was prohibited to import almost everything that Denmark-Norway not produced.

**The privilege system**

The privileges was a common way to reward innovation entrepeneurs by giving them exclusive rights. This monopoly rights was often so strong that they had no competitors at all. When the production and the exportation became monopolized, the monopolists dit not need to concern for competition within the country, and the belief was that then all the force could be concentrated to the foreign market. In this manner the export surplus should be reached.
The royal treasure as a venture fund

In most of the merchantilistic age it was a problem to get capital for starting entreprises, and a way the state tried to help this lack of capital was to give the entrepeneurs privileges to produce.

By government change in Denmark-Norway in 1730 an active industry politics with Otto Thott as one of the leading theorists was initiated. Agriculture came into the shadows for some 20 years even if Otto Thott wrote that the trade is the big axle that run on two wheels, agriculture and industry. The industrialization thought continued throughout the rest of the century, but in the 1760 the physiocratic doctrine comes in opposition to the industrialization projects. The physiocratic doctrine was implemented when Struensee in 1772 favoured trade and the agriculture on the cost of the industry. After the fall of Struensee in 1772 Guldberg comes into the picture as a industry defender again, but when he fell down in 1784 trade and the agriculture comes into the sun again, and Denmark-Norway became the most free trade friendly regime in Europe with the tariff of 1797.

The modern natural law reached Norway (1619-1700)

Jens Aagessøn Bjelke til Østråt (1580-1659) was the first Norwegian that had made a seriously study of the natural law and the new theory about absolutism. He was the Norway’s chancellor and one of the wealthiest men in Norway. Among a row of different tasks he found always some time to cultivate his scientific interests. Bjelke carried out some comparative studies over the natural law and the Danish and Norwegian legislation.
Ludvig Holberg (1684-1754)

Holberg was born and grew up in Bergen and came to Copenhagen University as a student in 1702 and passed the lowest theological degree in 1704 (a law degree as the only alternative to theology was not established until 1736). Holberg acquired considerable knowledge on his own in law, history and language. He had study tours to Oxford 1707-08 and to the Netherlands, France, and Rome 1714-16. In 1717 he got a teaching position in metaphysics and later become Professor of rhetoric and Latin and finally Professor of history. Holberg was a satirist, playwright, historian, essayist and moral philosopher, perhaps deserving to be called a polyhistor. There is hardly any problem of his time, moral or religious, economic or political, literary or historical, that is not discussed in his works. He was the most important representative of the enlightenment in Scandinavia. He is regarded as a founder of national literature both in Denmark and Norway. His sojourn in England from 1706 to 1708 had greatly influenced the forming of his mind but he acknowledged Bayle and Molière as inspirators and teachers. He thus represent the combination of English thinking and French esprit.
Some major historical works, including his work on natural rights (which was widely read by Danish law students for 200 years) were:

1711 Introduction til de fornemste Europæiske Rigers Historier [Introduction to the Greatest European Empires Histories]
1716 Morals Kierne eller Introduction til Naturens og Folke-Rettens Kundskab [The Core of Morality or Introduction to Natural Rights]
1729 Dannemorks og Norges Beskrivelse [Denmark and Norways Description]
1745 Adskillige Heltinders og navnkundige Damers sammenlignede Historier [Several Heroines' and Noteworthy Ladies' Compared Histories]

Important are also some of the essays in:
1744 Moralske Tanker [Moral thoughts]
1748-54 Epistler [Epistles]
1751 Moralske Fabler [Moral Fables]

Holberg is of course better known for more than 30 comedies and he also wrote poems. Last, but not least he wrote

1741 Nicolai Klimii iter subterraneum [Niels Klims underjordiske Rejse / Nicolai Klimii's subterranean Journey]

Holberg figures in our context not so much for direct economic contributions but for his activity for establishing economics as a field. He also discussed some economic issues. Holberg took important steps towards the establishment of the social sciences and the economics. He studied history and social sciences in Oxford, especially Pufendorf’s works (the 1711 book is large based on Pufendorf). He has been named the “first economist” in Denmark-Norway by several authors.

Lars Roar Langslet argues in his biography of Holberg that comments on economic issues appears very many places in Holberg’s works, particularly in Naturretten and the historical works, but also in the comedies, the epistles and in Niels Klim. Holberg must have been well read about economics and economic issues in contemporary historians. He appeared as reflected but not particularly original, in defending the ruling economic doctrine - mercantilism – in the more liberal version gradually being adopted.

Holberg wrote on economic concepts in the chapter ”Om verdi” [On Value] in
Natural Rights, distinguishing real value, monetary value, use value and exchange value. He discussed demand and supply, cash vs. credit and two ways the price can be determined, through government fixation and by market exchange. It is significant that this was stated in a natural rights context, as it was via natural rights arguments that mercantilistic theory was “liberalized” by recognizing that price determination could be left to the market. Implicitly, the point was made that a country could become richer if more was left to the market. In the more ‘liberal’ version of mercantilism the importance of international trade was upgraded, even though the emphasis on maximum surplus in the international trade was maintained, supported by very comprehensive regulations, trade monopolies etc. But Holberg was not at all adverse to state regulations, he was marked supporter of absolutistic rule.

In 1728 Holberg wrote two ‘dialogues’ in defence of the government’s economic initiatives. The work was commissioned and surely well paid. One dialogue ‘imellem tvende handelsmenn’ [between two traders] was about the government’s to revive Det ostindiske Kompagni, established under Christian IV, but had not done well. Denmark was in economic crisis after the huge fire in Copenhagen in 1728 and shortly after the Great Nordic War. The company had monopoly on trade with Asia and the government wanted to raise stock financing of the company. The whole idea was criticed from abroad and thus Holberg was hired to counter the criticism and wrote in latin, but translated into Danish and German. Holberg’s protagonist, Antonius, in the dialogue supported the goverment wholeheartedly. He showed his loyalty by buying shares for 500 Riksdaler in 1729, but was wise enough to sell after a few months. (Holberg was in fact a shrewd business man who did well in his perosnal affairs and indeed also for Copenhagen University whose questor he was for many years.)

The dialogue ‘imellem tvende kjøbmenn’ [between two merchants] defended likewise the government policy that all imports of wine, liquor, tobacco, salt had to og via Copenhagen, preventing Baltic traders to sell directly to provincial cities. This was an important issue in maintaing the wealth of Copenhagen and the centralistic control. Holberg’s protagonist was now called Montanus arguing that those who protested were more concerned with own interest that that of the country’.
The reestablishment of Sorø Academy and economic education

Holberg was unmarried (probably homosexual and childless) and left his significant estate to Sorø Academy, which had been a royal chivalry academy established av Chr. IV in 1623 for the education of the nobility’s sons, but with the goal of creating an institution at a university level. He worked out suggestions for the academic direction it would take and when asked by the king's superintendent to propose professors he named the influential enlightenment writer Jens Schielderup Sneedorff, who duly was appointed Professor at Sorø Academy. Holberg thus bequeathed everything he owned to the Sorø Academy in 1746, but with the promise that the academy should promote the modern sciences and among them economics. Holberg's concept for science was that it should be inductive, based on experience built on observations. Holberg found this a better idea than bequeath it to the theology dominated Copenhagen University.

Holberg naturally adhered to the official Christian belief but seems to have had a distant relation to Christian doctrines, which may not have been unproblematic at the time. He is known for statements such as “Children must be made into men, before they can become Christians” and “If one learns Theology, before learning to become a man, one will never become a man.” He had an enlightenment attitude in educational matters, expressing belief in people's inner divine light of reason, and arguing that the first goal of education was to teach students to use their senses and intellect, instead of memorising school books. He distanced himself from a religious explanation of evil in favour of a rational and empirical understanding. He also was critical of the notion of original sin, instead subscribing to the notion of man's free will.

Mercantilism had given priority to manufacturing and modern crafts among productive industries. But on this point Holberg dissented. He became more and more convinced that agriculture was the most important industry and want agronomics as an academic discipline. In his praise of agriculture Holberg became a forerunner of physiocracy. Holberg would of course not have gone along with the physiocratic embracement of laissez-faire.
Holberg was a master in satire and irony and in camouflaging critical statements. The Utopian or SciFi novel *Niels Klim* gave ample opportunities for commenting economic questions in the public debate. In *Republiqven eller Det gemeene beste* Holberg ridiculed ‘project makers’ of whom there were very many in Holberg’s time.

**The new cameralism from the 1730s**

**Carl von Linné**
The surplus from the nature was the Creators gift to the humanity. Linné praised this gift in his speeches in Uppsala, and if it wasn’t useful for the economy, it was legitimating the research activity of Linné. Linné had a considerable influence in Norway because of the Norwegian students that studied under him or under his pupils, but also because of the correspondence he had with some Norwegians. Linné had many readers in Norway too and viewed the economy as natural science. The economic science was knowledge about the mineralistic nature, the zoology and the botany that was treated to integrate with the human needs, nothing more nothing less! On the other hand the Swedish economist Anders Berch viewed economics as social science that should make use of the mathematics, the technology and the physics. Linné
and Berch were standing in opposition to each other. The linnéan literature found the mercantilistic literature worthless and vica versa. Linnè was a master in expressing himself in the physico theological manner that was very common way to talk about the nature and science in that age. In the physico theological doctrine God had created the nature in a way that it contained all what humanity needed in addition to that the nature was running by itself, selfregulated. The only thing to figure out was to discover the secrets.

**Jens Kraft (1720-65)**

Jens Kraft was a Danish-Norwegian philosopher born in Fredrikshald (now called Halden) and became a professor in mathematics and philosophy in Sorø from 1746.

**The practical economic movement in the periode 1750-1760**

**Claus Ursin Schøning**

The first Norwegian contributer to economic theory after Holberg was most probable Claus Ursin Schøning in his pamphlet *Tractatus Oeconomico-Physicus de Habitu Norvegiæ ad Agriculturam*. [About the suitability of agriculture in Norway] In contrast to the practical and national tendency it was written in Latin. The author protesting against the many statements about the unfruitful Norwegian contry that even “vor lærde og udødelige Holberg” had believed in. Neither the soil nor the climate was as disadvantageous as it had been told. What hindered the agriculture in Norway was not the natural conditions, but rather a lot of factors that the humans themself was able to control. That had to be done through legislation and regulations. Schøning said that even in the Nordland the summer could be so hot that fruits can ripen just as rapid as in France.

**Danmark og Norges oeconomiske Magazin (1757-64)**

In 1757 the practical economics got their own organ for revitalize the economic life in Norway and Denmark. Erik Pontoppidan started to give out his periodical, *Danmark og Norges oeconomiske Magazin*. Of the eight volumes that came
out in the years 1757-1764 it is especially the 4-5 first that have importance for our study because around one third is concerned about the conditions for the Norwegian economy. The Norwegian authors was mostly agricultural interested priests that showed a great interest in the potential for the agriculture and the industry in Norway.

**Ole Stockfleth Pihl (1729-65) : the first Norwegian professor in economics**

Stockfleth Pihl became theological candidate in 1748. Appointed Professor i økonomi without salary in Copenhagen in 1762.

**Gerhard Schøning and Johan Ernst Gunnerus establish Det Trondhjemske Selskab 1760 (Det Kongelige Norske Videnskabers Selskab 1767)**

**Jens Essendrop (1723-1801)**

Essendrop was theological candidate 1750 and became Oberbergamtsforvaltar at Kongsberg from 1771. Published in 1761 *Physisk Oeconomisk Beskrivelse over Lier Præstegjeld*.

**Hans Steenbuch : The first statistican**

**Hans Strøm (1726-97)**

Degree in theology. Topography, naturel researcher. Published 1762-66 *Physisk og Oeconomisk Beskrivelse over Fogderiet Søndmør, and 1784 Physisk-oconomisk Beskrivelse over Eger Præstegjeld i Aggershuus Stift.*

**The proposals for a Norwegian University, 1772 and later**

**Johan Ernst Gunnerus and the first proposal 1772**

**The university proposals from 1788 (Wilse)**

**Christina Pram’s proposal 1793**

**Nicolai Wergeland’s proposal 1809**
Remnants of the crudest kind of mercantilism

I Finnmark vart det gjennomført frihandel frå 1789 og kunngjordt i ei forordning frå 5. september 1787, både med utlandet og innanlands. Her hadde det vore monopolhandel nesten uavbrote sidan 1687 fordi ein trudde at utan ei slik ordning kunne ein ikkje sikre matforsyningsa der oppe. Fram til 1715 var det Bergenske kjøpmenn som dreiv Finnmarksmonopolet, men då dei måtte gje opp vart monopolot overtake av eit konsortium av Københavnske kjøpmenn. Grunnen til at ein samla kompani i København var for at ein meinte ein måtte samle seg i eitt punkt for å vere konkurransekyktig, samt at ein måtte ha kontinuitet i seglinga til og frå koloniane for å greie å hevde suvereniteten. Den norske misnøya med favoriseringa av København kom til uttrykk i trykkjefriomsperioda i 1770-72.


Hans Nielsen Hauge (1771-1824)

4.1 How Adam Smith reached Norway

In 18C it was common among the elite to send their sons abroad for studies and life experience, often with a tutor. Naturally, a study period at Copenhagen University was practically mandatory before travelling further abroad, usually
to the Continent but for families in the lumber exporting business England was naturally included.

One such family was the Anker family; in August 1761 two brothers Peter Anker (1744-1832) and Carsten Tank Anker (1747-1824) took off on a journey abroad, accompanied by Andreas Holt (who would later hold high government positions). From Norway they went Lund University and from there on to Germany and France before entering England, where they stayed for a period in Norwich to improve their English. The first destination of their tour of England and Scotland was Glasgow, reached in May 1762. Adam Smith, then Professor of moral philosophy at Glasgow University, made an entry on 28 May 1762 in one of the visitor’s *studbook*: “I shall always be happy to hear of the welfare & prosperity of three gentlemen, in whose conversation I have had so much pleasure, as in that of the two Messrs. Anchor & of their worthy tutor, Mr. Holt.”

They visited then Edinburgh, Birmingham, Oxford, Chelsea, Newcastle upon Tyne, Liverpool, Manchester, and Derby, before reaching London in the summer of 1762, where the brothers met with four Anker cousins. At the time Adam Smith was already very famous.

In December 1762 Peter and Carsten Anker left London for France where and stayed there for more than one year, during which they went to Toulouse where they again met with Adam Smith accompanying the Duke of Buccleugh. The brothers’ *studbook* has a brief entry: “Having had the pleasure of meeting Messieurs Anchers & Mr. Holt at Toulouse, it is with the greatest satisfaction that I member myself amongst their acquaintance. Toulouse 16th March 1764.”
Buccleugh.” It is known that Adam Smith had by that time started to write *The Wealth of Nations*. This meeting in Toulouse is mentioned in a letter Smith sent to Andreas Holt in connection with the Danish translation of WN. The brothers continued their journey to the mining academy in Freiburg before returning to Norway in December 1765.

Peter Anker became in 1773 the Danish-Norwegian Consul in Hull. A couple of years later two other brothers, Peter and John Collett went to Scotland with their tutor Frands Mathiesen Dræbye (1740-1814), visiting Peter Anker on the way. They might have made an attempt towards visiting Smith, but no meeting took place. The three travellers were in Edinburgh on May 1776 before returning home. The Danish translation of WN was initiated soon after with Dræbye as translator, and published in 1779. It seems likely that Holt and Carsten Anker had encouraged Dræbye to embark upon the translation of WN.

In the preface Dræbye wrote: “A sufficient number of subscribers, of which the majority are in Norway, has finally enabled me to offer to my countrymen the famous Adam Smith’s investigations about the nature of the national wealth”. Smith did not know about the translation until Andreas Holt told him by letter. Smith wrote subsequently to Peter Anker and Andreas Holt in 1780, asking Peter Anker to forward two second editions of WN to Andreas Holt, for Holt to pass one to Dræbye in acknowledgement for his translation of the first edition.

Thus among the experts on Adam Smith in Denmark-Norway at the time were Andreas Holt, Frands Dræbye, and Carsten Anker, all of whom were in prominent positions within the government in Copenhagen, responsible for economic administrative tasks. It is evident that when they promoted liberal economic ideas that made a strong impact from 1784 in the Danish-Norwegian realm they had drawn Adam Smith and the WN, not only as one source, but more likely as the source.

The reason why the liberal breakthrough did not come even earlier may be rooted in Smith’s own warnings that the transition from a mercantilism to free trade ought had to be gradual with attention paid to the historical and geographical situation in each area. Smith’s admonition was perhaps adhered to when the northernmost part of the realm, Finnmark, was announced as the first area with free trade in 1787, while other tax areas in the Danish-
Norwegian kingdom, such as as Iceland, the Faroes and Greenland were not offered free trade arrangements.

The people in Finnmark was from now on allowed import grain from Russia, and obliged to store and distribute it by themselves. The Norwegian-Russian trade, the “Pomor trade”, was a renewal and extension of a trading pattern between Finnmark and Russia since early in the 16C and would continue until the Russian revolution in 1917. The main content of the trading pattern was that the Russians bought fish from Finnmark and paid for it by grain.

Another indication of the impact of liberal economic thinking came in a submission by Governor Jørgen Erik Skeel in Aggershus county (domicile of the the Anker family) to Rentekammeret in Copenhagen in 1784: “It is perhaps much to be desired that trade, manufacture and industry in general were less constrained by laws and regulations than they actually are”, and two months later in another submission: “It is in accordance with the best political axioms to let anyone in the state enjoy the liberties he can have without hurting others and constrain this liberty as little as possible.”

A Norwegian liberalist Andreas Bull (1746-96) used Adam Smith’s theories in a book Oeconomiske Tanker om Fabrikvæsenet og raae Produkters Forarbeidelse i Landet [Economic thoughts on the factory system and the processing of raw materials in the country] already in 1786. Bull thus was most likely the first Norwegian who made use of the theories of Adam Smith. His main interest was forestry, and he also argued well in a proposal for a Norwegian “Agricultural Academy” for the promotion of sciences that had direct impact for the business life.

In Denmark Gosch published a very comprehensive textbook in economics in 1787, quoting long passages from Adam Smith. Despite his familiarity with Smith’s book, he was still against free trade and laissez-faire. Andreas Bull became police officer in Christiania in 1789 and was active in circles that later promoted elements of economic liberalism to be included in the 1814 Constitution.

In Denmark a strong wind of reform had begun in 1784-85 in favour of simplifying the economic laws and regulations, resulting in 1787 in appointment of a “Finance commission” with mandate to investigate “whether a freer trade that the one flowing from the existing system, would be
advantageous for the King’s states”. In 1788 the same commission proposed to end the grain monopoly in south-east Norway, that had been in effect more or less since 1735. The same commission a few years later prepared the most free trade oriented tariff in Europe, effective from 1797, not so long before the Napoleonic Wars caused havoc to international trade. But as a considered and chosen policy it got a strong impact on economic thinking in Norway after 1814. It became a key element in Norwegian economic thinking up to 1842, the triumph of the liberalism in Norway.

In the 1797 trade tariff almost all prohibitions had been removed. The principal guidelines for preparing it came from Kommercekollegiet with Andreas Holt, Frands Dræby and Carsten Tank Anker as key government officials. The guidelines embraced free trade, and suggested a plan for gradual elimination of all barriers for foreign trade. The private secretary of the Minister of Finance, Ernst Schimmelmann was at the time Count Herman Wedel Jarlsberg, who was married into the Collett family and close friend of the Anker family. The reason why liberalization of free trade could be initiated at this time was not due only to convincing arguments. The Danish-Norwegian economy had experienced very prosperous times since the publication of the WN, due not least to wars between the major powers.

In his autobiography in 1840 Jacob Aall wrote about how he prepared himself to become a government official by studying economics “…beginning with Adam Smith’s well known treatise” and also, it was not for pure pleasure he read Smith, it was for acquire knowledge to be used: “…primarily in promoting the nation’s needs and position.” Aall further stated that he had been motivated by “the needs of the nation” when he decided in 1832 to publish the liberalistic flavoured periodical Nutid og Fortid [Present and Past], which comprised a number of economic treatises. Aall was for a long period a member of the Storting and also member of several expert commissions.

As Andresen has suggested it may, however, be more appropriate to denote liberalization after 1784 as a late-cameralistic movement than a classical liberalistic one.

4.2. Thomas Robert Malthus in Norway

Thomas Malthus received a number of strong negative reactions to his 1798 pamphlet Essay on the Principle of Population. He decided to travel in Northern
Europe to collecting evidence for his theories. After the journey Malthus revised his theory by adding that moral restraints could be an important hindrance for population growth. Norway was an example of a country where such moral restraints were effective.

In the summer of 1799 Malthus stayed six weeks in Norway, as reflected in a large chapter about Norway and Scandinavia in the enlarged 1803 edition of *Essays*, and further references to the conditions in Norway. Malthus’ main position was that public relief for the poor who were able to work, would result in more poverty because the population would grow faster without influencing food production.

Malthus meant to have found evidence that population with enough food could double every 25 years, while food production increasing less. Population thus tended to outgrow food supply. The only morally acceptable way out of the poverty was, according to Malthus, to delay the marriages so that the birth rate would fall. The workhouse laws in England were based on Malthus’ theories. Malthus’ theories also had an impact on the Norwegian poverty discussions in 19C.

During his journey in Norway Malthus wrote a detailed diary, noting observations about population growth and living conditions in Norway. He travelled with a companion named Otter and entered Norway near Fredrikshald (Halden) in June 1799. Malthus and Otter visited Fredrikshald, Christiania, Drammen, and Kongsberg, and then went further north through Gudbrandsdalen and over Dovrefjell before arriving at Trondheim. From Trondheim they continued south-east to the mining town Røros and Østerdal valley, then Kongsvinger and crossed the Swedish border on 3 August at Magnor. Many of the diary entries were unaltered into the 1803 edition. Malthus met during his trip a number of highly placed officials and (Danish) experts, also with the Anker brothers who had met Adam Smith. He collected information about the business life, population, prices on food, production of food, tax burdens, lumber export, import of grain, living conditions and the poverty relief. He was showed around in *Videnskabsselskapet* in Trondheim, and showed interest in the Norwegian ‘odelsløv’ which he considered as ”justly having hampered new cultivation and the population growth in Norway”.

One would presume that Malthus would discuss his theories with the elite representatives he met in Norway but few references to Malthus have been found early on apart from in the writings of Jacob Aall. Aall was an owner of large iron works who also had an academic background, he was member of the constitutional assembly in 1814 and later a long-time member of the Storting. When Denmark-Norway was drawn into the Napoleonic wars in 1807 and the British blockade prevented grain and other food imports, Aall announced to his workers in April 1810: "To prevent the disorder following from too early marriages, I hereby declare that I do not allow the labourers of the iron works to marry before they are 24 years old. Anyone is entitled to marry, but if it happens before they are 24 years old, they will not be allowed to continue in the service of the iron works." Another reference to Malthus is in Aall’s article: *On the lack of grain, especially with regard to the drought of 1812*, in which he wrote: “When the population is growing unimpeded, it will grow infinitely more than the most painstaking and blessed soil improvements, thus the most perfect agriculture cannot surmount the misery that the too fast growth of population brings upon the society.”

Also later in Aall’s career we find the principles of Malthus expounded. In the *Storting* he said in 1821: “A population out of proportion to the means of subsistence is a social disease, and one of the most incurable.” In Aall’s work *Nåtid og Fortid [Present and Past]* he wrote: ”The expansion of population allowed by improvements in agriculture, as increased wealth and industrial improvements facilitates an increasing population, is less worrying than the one caused by the growth created in factories.” Aall was thus not inclined to pursue an accelerated industrialization of Norway, as the capacity of producing food could not support it. Manufacturing and other new industries had to grow slowly for not growing at the expense of agriculture. The industries should be in a natural harmony with each other, and the state keep neutral not to favour particular industries.

**Economics into the University**

Economics as an academic field figured prominently in 1812 plan for the first Norwegian university, which was established in 1811 many of the intellectuals became worried about the scientific status to the University, they wanted a “Humboldtian” university.
After the separation from Denmark in 1814, the new Norwegian state started out with severe financial problems. The plans for practical economics was probably put down on the priority list because the government and intellectuals had to ensure that the core sciences was sufficient secured.

In 1811 the king gave the mandate for the university commission on 2 September, the date is counted as the foundation of the Royal Frederik’s University. The university did not start functioning until 1813.

The University should according to the plan comprise altogether eight faculties with the same right to give degrees. The Faculty of State household sciences” (Fakultetet for Statshuusholdingsvidenskaberne) was one of the proposed faculties and its task should be to graduate the students to the highest degrees in the cameralistic sciences. The faculty of economics and its teaching program was framed in a typical cameralistic pattern with emphasis on practical purpose of the activity.

In France and England the liberalistic economic thought lived its life and developed by and large outside the Universities, but in Germany and Norway the economic liberalism was absorbed into the cameralistic University system.

**Christen Smith (1785-1816)**
The first professor in economic sciences at the new university was Christen Smith. He had completed a medical degree in Copenhagen in 1808 and also studied botany, which was regarded as a branch of the cameralism. The conglomerate of cameralism included zoology, botany, political science, agronomic sciences, law, technology and business management, and of course economics. After undertaking some botanization expeditions in Norway, Smith became convinced that the natural resources provided a great economic potential for Norway.

The owner of Nes ironwork, Jacob Aall, and his brother, Minister Niels Aall, had donated 4000 Rdl. as a fund for financing the assessment of economic potentials of regional areas, especially to investigate the potential for industrial development. Christen Smith applied to the fund in 1812, for a botanic investigation could clarify the possibilities to cultivation and grazing in mountain districts. He also wanted to investigate the possibilities for development of the inland fishery.

Christen Smith was appointed as a Professor of Botanikk og statsoeconomiske Videnskaber [Botany and economic sciences] July 1814. On his request he was granted permission to postpone his academic duties for a year or so to undertake a botanical expedition abroad. He first made an expedition to the Canary islands and then another expedition to Congo. Unfortunately, Smith died during the expedition in Africa, before he had given even a single lecture in economics.

The person selected to replace Smith, was Professor of history Ludvig Stoud Platou, expected to give lectures in economics, geography and statistics. But because of his other duties he was not able to teach in economics. After some further delay the teaching duties passed on to a lecturer in technology, Gregers Fougner Lundh.

Gregers Fougner Lundh (1786-1836)
Lundh had studied medicine in Copenhagen, a not unusual way of studying biology, chemistry and botany at that time. His main interest became technology. In the wake of the industrial revolution a great interest in technology had arisen. Lundh and others of the political elite in Norway, as well influential businessmen, became very inspired by the emerging
industrialization going on abroad. The general belief about industrial
development in these circles was that what Norway needed first of all was to
develop knowledge in practical methods of increasing wealth and welfare. This
motivated their views on how the economic sciences should be dealt with at
the University.

Lundh had a career outside the University too. As a leading expert on
technology he became an aide-de-camp to Prince Christian Frederik. In March
1814 when the Prince organized the Norwegian governmental council Lundh
became head of a government office (in fact the office that later would be
called the Ministry of Finance). At the end of 1814 Lundh became Lecturer of
technology at the University.

When Lundh became lecturer in technology his aim was to cover the full range
of cameral sciences. He did not yet know any economics and the university
library had not received any books yet. Most of his lectures in these early years
were about technological matters such as brewing beer, making iron etc., on
which he knew quite a lot.

From 1815 it is possible to trace what he borrowed, e.g. James Steuart:
*Principles of Political Economy* (1767). After a while more books became
available. Then in the spring of 1817 Lundh started to give lectures in classical
economics and on the physiocrats. He emphasized the natural law view of the
economic life and the physiocrats must have found a strong resonance in him:
*Kun Jorden og dens Frembringelser have en sand og oprindelig Værdie ... Alt
andet, som man har tillagt en indbildt og vilkaarlig Værdie, som Penge, disses
Repræsentation og dl. have i og for sig selv intet andet Vær'd, end at de betegne
og forestille virkelig Rigdomme [Only the Earth and its produce have a true
and original value ... Everything else to which one has arbitrarily imputed value,
such as money, money object and suchwise have by themselves no other value
than to denote real values] The legislation had to build on natural laws:
*Lovgivningen ... er intet andet end Kundgjørelsen af de naturlige Love,
modifierede efter Selskabet for de forskjellige Tarv [Laws are nothing else than the
pronouncements of natural laws, modified according to social needs.

Lundh had by then become an eager proponent of free trade. He referred to
Quesnay, J. J. Rousseau and Marquis de Mirabeau and criticized the physiocrats
for favouring agriculture at the cost of all other industries. Lundh wrote in his
lecture notes that in recent years the physiocrat’s views had been rehabilitated after they having been discredited by Adam Smith and Sismondi. Lund maintained that it was important to prepare for the nature to work as efficiently as possible. Within this framework he argued that the industries ought to receive support in the “infant” period, but later should be left to the competitive market. Lund said that the since the state was an obviously necessary, but still artificial intervention in the economy, the economic system as a whole was artificial, and therefore the state was obliged to support infant industry for it to become self-sustainable when the infant period had passed. Especially in a new nation like Norway, it was important that the state played an active role. Lundh was expounding a view shared by most of the Norwegian elite.

He was dissatisfied with the economic sciences not having been given any professor chair. In 1819 when the mining school in Kongsberg was moved to Christiania he hoped that this reinforcement of technological science at the University would provide an opportunity for his lecturer’s position to be upgraded to a professorate. That would have given economics the prestige it needed to attract students and also within government. But but did not get many students attending his lectures. One reason fr this was of course that economics was not part of any degree. He may not have been a very good at lecturer, either.

In 1822 Lundh was finally appointed as a Professor of economics with agronomics and technology [Statsøkonomi med Landhusholdningslære og Teknologi]. Lundh found agriculture and technology to be subordinate parts of economics as in the original recommendations from the University Commission in 1812. Lundh’s interests was still mainly technology but he felt obliged to update himself in economics even more as professor. He managed to update himself and get familiar with much of the modern French, British and German economic thought. His classical view became strengthened. He asserted e.g. that luxury was usually misunderstood because the demand for luxury was a result of someone having earned money on producing something people had a real need for, and what went for luxury in a less developed society could in more developed society be regarded as necessaries. This view on luxury was in strong opposition to the paternalistic and cameralistic view represented by Treschow, the last mercantilist in Norway, who was afraid that commercial evils
would spread luxury together with low moral. Treschow’s view was that the state should run or control business life in a way which disencouraged luxury consumption.

In 1823 and 1824 Lundh borrowed from Say, Sismondi and various German authors. All these authors were influenced by Adam Smith and he is likely to have drawn upon these sources in his 1824 book: _Forslag til Anlæggelse af en Landstad ved Mjøsens Bredder paa Hedemarken_ [A Proposal for Establishing a City on Mjøsa in Hedmarken]. Lundh used most of the book to argue for the establishment of a commercial city on basis of arguments from classical economics. Lundh stated that communications, industry and commercial cities as market places were what Norway needed for modernisation. In that book the state’s role in building infrastructure, technical development and supporting infant industry is strongly emphasized, but as a modification of the Smithian economic liberalism. But even after Lund had become thoroughly versed in Smithian economics he was still a kind of transitional economist with one foot in the cameralism and one in the classical economics.

The study of statistics at the university belonged under the chair in history which was held by Platou from 1814 until 1834, when Lundh somewhat unwilling took over this duty. When Lundh died in 1836 in a fire, there arose a longlasting battle within the university between Anton Martin Schweigaard and Ludvig Kristensen Daa about the two positions that Lundh had covered. In the end the Vice Chancellor (Prokansler) Wedel forced through that Schweigaard took over both Lundh’s responsibilities.
Schweigaard, born in Skien, became an orphan when he was ten and at thirteen was sent out on a ship to become a seaman. After three voyages he had had enough. In 1822 he was sent to a priest in East Friesland for learning the German language. After two years he had learnt German, but also French, Latin and some Greece and read much literature and philosophy.

The priest, having discovered Schweigaard’s talent sent him back to Skien recommending that he was given a chance to study. After completing school in Skien he went to Christiania in 1828 for the “examen artium” and became the first to get Excellent in all 12 topics. In 1832 he took the university degree in law with top marks. It is known that he in his first study year borrowed *The Wealth of Nations* from the University Library and shortly afterwards declared himself as an adherent of the Smithian economic thoughts and of free trade between nations. In an article in 1832 he wrote that “Prohibitivsystemet med Hensyn til Staternes oeconomiske Kræfter erkjendes at være grundet på en Misforståelse af Kilderne til almindelig Velstand.”

Due to his exceptional score as a student the Storting granted him a scholarship for a one and a half year study tour in Europe. He travelled to Lund University,
continued to the University of Greifswald in Pommern and then to Humboldt University in Berlin, where he spent time with the renown philosopher Beneke. After six months in Berlin he travelled to Halle, Leipzig, Dresden, Prague, Vienna, and Munich. He then went on Geneva and Paris. On his way home he stopped in Bruxelles, Louvain, Aachen, Göttingen and then via Hamburg to Copenhagen where he spent the last few months before returning to Christiania in 1835.

He published the monograph *Norges Bank og Pengevæsen* which established him as an expert on monetary matters. An importnat goal for the new Norwegian state was to establish a new stable currency, and at the same time work for the need for capital in the business life. The many attempts to get order in the monetary system in the mercantilistic age, especially after Denmark-Norway became parts of the Napoleon wars, had failed and usually resulted in terrible inflation. The new Norwegian state had to build up a state administration and political system from the bottom and it was therefore very importannte to build up the business life as fast as possible. For that reason it was necessary to establish a financial system.

and a few months later the article *Indførselstolden og dens Historie [Import duties and its history]*, sharply criticizing the protectionistic movement that had arisen in Norway since 1830 and won through in the *Storting* in 1833. That article was a breakthrough for the laisser-faire doctrine in Norway (Seip).

After some years as lecturer Schweigaard was appointed in 1840 Professor in jurisprudence, economics and statistics. The appointment meant that economics had been placed under the stduy of law and Schweigaard made it a condition for accepting the chair that also statistics was included. In 1840 he also published *Norges Statistik [Statistics of Norway]* but he did not continue further work on statistics. Economics became one of the exams requirted to become a lawyer in 1845.

Schweigaard was in addition to his University duties a member of the Storting from 1842 to 1870. He belong to the *Intelligentsen* circuit, close to Fredrik Stang (1808-1884), who in 1845 became Interior Minister with key functions for planning and executing economic policy. When Schweigaard took over the responsibility for teaching economics he also redefined its purpose as that of providing a scientific foundation for the political debate and decisions.
Schweigaard also criticized the earlier statistics at the university as too abstract and general, it should rather be a tool for the legislators and focus on cameralistic and economic problems. Schweigaard and the *intelligentsen* circuit promoted liberalism but shared with cameralism the focus on the needs of the state administration.

Schweigaard wanted the economics to be a concern for a small part of the elite, a part of the study of law. In the controversy after Lundh’s death Professor of constitutional law Henrik Steenbuch had been the main opponent and written a dissent to the faculty of law in 1838, arguing that economics had to be taught as national economics in line with the recent German development. Steenbuch was inspired by Kant’s understanding of economics as built on democratic and natural law principles. Economics should describe the laws of the human behaviour when people were free to take their own choices, and the government should work out economic policy with these laws in mind. Steenbuch thus was against that economic science should be a tool for the legislators and very sceptical to put economics under the faculty of law because no specific group alone was able to see the whole picture of the economy. Instead the economy should be subject of investigations for all specialist groups in the University and in addition be subject for systematically discussions in the public life. Steenbuch’s dissent showed that he was very well oriented in economic literature had strong concern for the scientific development of economics.

Rune Slagstad argues that Schweigaard closed the law to the philosophy and instead opened it to the economics. The natural law apriorical principles was replaced by the utility cost analysis. For the next fifty years the philosophy of law disappeared from the faculty of law. Steenbuch was concerned that Schweigaard would destroy the economics as a science at the University by making it to politics.

An important influence on Schweigaard was Friedrich List: *The National System of Political Economy* (1841). List was one of the forefather of the German Historical School and became quickly very well known for his 1841 book, in which he opposed the classical free trade doctrines, but not in the polemical way common for the protectionists, but on the basis of free will through the political factors in economics. The government should build up the “productive
powers” of the nation and at the same time enlarge the free-trade area. In the end this would result in the whole world becoming one free-trade area. The argument resembles the “infant industry” argument of protection, but it is a more complicated economic theory than the standard arguments going back to the earliest mercantilism. Schweigaard combined List’s theories with Saint-Simone’s theories which he already had a lot of knowledge about, and tried to solve the problem that goes like a red streak through the history of sciences: the apparent contradiction between free will and unbending natural laws. Without the natural laws any scientific investigations would be impossible or at least in a very different way than it has been until now. On the other hand, our own consciousness tell us convincingly that the human will is free.

An early influence on Schweigaard Sismonde de Sismondi (1773-1842) founded the ”social physics” and also developed an underconsumption theory opposed to Say’s law that production created its own demand. Sismondi’s *Nouvelles principes d’èconomie politique* was first published in 1819 as a critique of Ricardo, partly on the ground that that Ricardo did not ground his science in empirical research.

Schweigaard and Stang realized part of their vision by the construction of the first railway in Norway in 1854. Domestic trade had been liberalized in 1842 and liberalized further in 1866. The Norwegian government followed up initiatives from private persons and helped to build up roads, channels, and after a while telegraph lines. We have seen how they abolished the guilds in 1839, and in 1854 the sawmill privileges was abolished as the last of existing privileges. In 1857 they executed a change in land ownership. Sørensen have showed how this modernization was a mixture of Norwegian enlightenment thoughts about reforms from government elite in a cameralistic manner and the liberalism from Adam Smith. Anton Martin Schweigaard connected the cameralistic and the liberalistic thoughts and transformed it into practical policy.

The freetrade dispute
The Swedish wanted to join Norway in a trade union similar to the Zollverein in Germany, but the Norwegians were not interested when it comes to debate in the Storting in 1845. The idea about a Scandinavian trade union became a recurrent issue.

The foundation of Statistics of Norway and Statsøkonomisk forening

One of Schweigaard’s pupils was Anders Nicolai Kiær (1838-1919), and he became the first director of Statistisk sentralbyrå in 1876 and continued in more than a quarter century. He published many important works about population, income, shipping. He was the first in the nordic countries in 1893 to attempt to calculate the national income.

Labour movement emerges

The workers movement have a very parallel development history in most countries in Europe, with especially hours restrictions on the working day in focus. The central claim for the worker leader Marcus Trane was the claim for general suffrage. Thrane used the natural right as a philosophical foundation for his main ideas. Thrane started in an axiomatic point of view that everybody have the right to life, and if it should be a real content in this right it was necessary with the right to freedom and food, and therefore the right to work. This natural law coincided with the "religionens høieste grunnsetninger". Aschehoug believed this was a shady claim for economic equality and rejected it as immoral, impossible and ineligible. It was the community’s duty to hinder that someone earned money on others expenses because that was in conflict with the moral and economic laws. The economic theory was therefore used as a weapon to reject the workers political claims, but it was also used to show the workers a brighter future if they aquired the virtues that leaded to higher productivity. This integration theory turned away the anger in the working class in the political unrest caused by the Thrane movement.

The marginalistic revolution comes to Norway

The marginalism came with Aschehoug probably in 1880. The development the marginalistic revolution in Denmark may have influenced the Norwegian economist through the economic journals in Denmark.