bution of wealth was not based on natural law but on the "laws and customs" of a society—in other words on its institutions. Friedrich von Hayek's later defence of the market system was, as we were recently reminded by Amartya Sen in a Financial Times op-ed[1], based on the individual freedoms which the market system delivered, not on the wealth that it might generate. Here we have economists setting out the economic basis of individual liberty and fair distribution of a nation's wealth. The contribution of John Maynard Keynes in articulating the role of government in regulating economic activity as a guarantor of an implicit social contract, at the expense of its own treasure rather than for the increase thereof, needs little description.

Law and economics are not, of course, the only disciplines at play in shaping the evolution of modern socioeconomic frameworks. At a minimum, one must add political science to the mix. But the interface between law and economics is of particular interest in this Chapter. And it is this interface that I should like to explore more deeply with reference to the world of trade.

The Convergence of Law and Economics in Trade

International trade can legitimately be described as being at the very root of modern economic thought from its first stirrings in the European Renaissance to its first full flowering in the Enlightenment. For example, one of the very first recognizably modern economic texts was written by Thomas Mun of the East India Company in defence of the Company's exporting capital in order to transact business abroad. The title of his work, *England's Treasure by Foreign Trade*, written ca. 1630, speaks for itself. It provides an essentially complete description of the principles behind the international balance of payments, which would require only up-dating of the language to sound perfectly modern. To be sure, much of the early pre-Adam Smith theorizing was in defence of mercantilist practices; but equally, it

[1] Amartya Sen, "An insight into the purpose of prosperity" *Financial Times*, 20 September 2004