ENGLISH MEN OF LETTERS

ADAM SMITH

FRANCIS W. HIRST

ENGLISH MEN OF LETTERS

ADAM SMITH

FRANCIS W. HIRST

The Project Gutenberg eBook of Adam Smith

Title: Adam Smith

Author: Francis W. Hirst

Release date: March 8, 2021 [eBook #64753]
Most recently updated: October 18, 2024

Language: English

Credits: Stephen Hutcheson, Adrian Mastronardi and the Online Distributed Proofreading Team at https://www.pgdp.net (This file was produced from images generously made available by The Internet Archive/American Libraries.)

ENGLISH MEN OF LETTERS

ADAM SMITH

BY

FRANCIS W. HIRST

LONDON: MACMILLAN & CO., LIMITED
NINETEEN HUNDRED AND FOUR

PREFATORY NOTE

Early in 1793 Dugald Stewart read at two meetings of the Royal Society of Edinburgh his "Account of the Life and Writings of Adam Smith." Written with the sympathetic pen of a friend and disciple in the Corinthian style that Stewart loved, the memoir was too good to be superseded. A century passed, and in 1895 appeared Mr. John Rae's exhaustive *Life of Adam Smith*. Mr. Rae's comprehensive researches cropped the ground so close that little seemed to have been left for his successors to glean. But the discovery of Smith's *Lectures on Justice, Police, Revenue, and Arms*, edited by Mr. Edwin Cannan and published in 1896, has furnished new and important materials.

Of Smith's innumerable critics and commentators, Bagehot, Oncken, Ingram, and Hasbach seem to me to have understood him best. The misdirected erudition of some others has only proved the importance of allowing him to be his own interpreter.

Dr. David Murray of Glasgow has very kindly read portions of my proofs, and has contributed most generously from his wonderful store of learning.

F. W. H.

CONTENTS

ADAM SMITH

CHAPTER I

EARLY YEARS

Adam Smith was born on June 5, 1723, in the "lang toun" of Kirkcaldy. It was one of the "mony royal boroughs yoked on end to end like ropes of ingans, with their hie-streets and their booths, and their kraemes and houses of stane and lime and forestairs," which led Andrew Fairservice to contrast "the kingdom of Fife" with the inferior county of Northumberland; nay, it furnished him with a special boast, "Kirkcaldy, the sell o't, is langer than ony toun in England." It had been a royal borough from the time of Charles I., and had declined, like many other Scotch towns, in the religious wars of the seventeenth century. Many of its citizens who had fought for the Covenant had fallen on the fatal field of Tippermuir. But it still contained about 1500 inhabitants, who were variously employed as colliers, fishermen, salters, nailmakers, and smugglers. From the harbour you might walk a mile or more westward along the High Street, enjoying from time to time a glimpse of the sea and shelving beach, where the line of shops opened for a narrow "wynd," or a still narrower "close" threaded the high-walled gardens of a few substantial houses. In one of these Adam Smith wrote the *Wealth of Nations*, and probably in one of these he was born. The father, who died a few weeks before the birth of his only child, had been a leading townsman. Adam Smith the elder was a man of note in his own day. From 1707 to his death he was a Writer,[1] *i.e.* solicitor, and Judge Advocate for Scotland. He had acted as private secretary to Lord Loudon, then Minister for Scotland; and Loudon, on leaving office in 1713, obtained for his secretary the Comptrollership of Customs at Kirkcaldy—a post worth about £100 a year.

His widow lived to a great age, and saw her boy rise step by step to the fulness of fame. She is said to have been an over-indulgent mother; but her devotion was repaid by the life-long love of a most tender son. Mrs. Smith's maiden name was Margaret Douglas, and she was the daughter of the Laird of Strathendry, in the county of Fife. At Strathendry the future economist had a narrow escape; for one day as he played at the door he was picked up

and carried off by a party of vagrant tinkers. Luckily he was soon missed, pursued and overtaken in Leslie Wood; and thus, in the grandiose dialect of Dugald Stewart, there was preserved to the world "a genius, which was destined, not only to extend the boundaries of science, but to enlighten and reform the commercial policy of Europe."

The next landmark in the boy's history is a copy of *Eutropius*, on the fly-leaf of which is inscribed in a childish hand, "Adam Smith, his book, May 4th, 1733." Before his tenth birthday, therefore, he had already made some progress in Latin. The Burgh School of Kirkcaldy, which he attended, was a good grammar school of the kind that already abounded in Scotland. It was patronised by the Oswalds of Dunnikier, the principal people of the neighbourhood. James Oswald, who soon made a mark in politics, was Smith's senior by some years, but they became life-long friends. Robert Adams, the architect who planned Edinburgh University, was another friend and schoolfellow; and so was John Drysdale, who twice held the helm of the Scotch Church as Moderator of its General Assembly. In 1734 the schoolboys played a moral piece written for the purpose by the head master, David Millar. As a teacher he had a considerable reputation, but as a dramatist he will be judged by the title of his play, "A Royal Counsel for Advice; or Regular Education for Boys the Foundation of all other Improvements." Adam Smith soon attracted notice at school "by his passion for books and by the extraordinary powers of his memory." Too weak and delicate to join in active games, he was yet popular with his schoolfellows; for his temper, "though warm, was to an uncommon degree friendly and generous." In company his absentmindedness was often noticed, and this habit, with a trick of talking to himself, clung to him to the end.

[3]

In his fourteenth year Smith left the Grammar School of Kirkcaldy for the University of Glasgow, where he was to remain until the spring of 1740. He entered, probably, in October 1737, at the beginning of the session. As the full course extended over four sessions and Smith only attended three, he did not take his degree; but he had the good fortune to study Greek under Dunlop, mathematics under Simson, the editor of Euclid, and morals under Hutcheson, perhaps the greatest philosopher of his generation, and certainly the most eloquent.

[4]

Glasgow, though still but a small place, was already the most prosperous and progressive of Scotch towns. After a century of decay it had found salvation in the Act of Union, which gave it free trade with England and a share in the colonial monopoly. Readers of *Rob Roy* will remember how the inimitable Jarvie enlarged upon these advantages and on the facilities Glasgow possessed "of making up sortable cargoes for the American market." It was very loyal, therefore, to the House of Hanover. In the rising of 1745, Charles Edward got considerable support from Edinburgh, and even from Manchester, but none from Glasgow, which, indeed, soon afterwards obtained a parliamentary vote of £10,000 in recognition of its exertions and as compensation for its losses. Glasgow was the only town in Scotland, as a learned writer has observed, to exhibit the same kind of visible progress in the first half of the eighteenth century which the rest of the country developed in the second. Its shipping, sadly cramped by the Navigation Act, began to expand after the Union. In 1716 the "first honest vessel in the West India trade" sailed from the Clyde, and in 1735, two years before Smith's arrival, Glasgow owned sixty-seven vessels with a total burden of 5600 tons, nearly half of the total Scotch, though only one-eightieth of the total English tonnage.

In this rising mart Smith learned to value the English connection, and as he trod its busy streets and watched the merchandise of the West pouring into its warehouses, the boy saw that a new world had been called in to enrich the old. With the new sights and sounds came new ideas that had not yet penetrated the gloom of Holyrood or the rusty pride of the Canongate. From the lips of his master, Hutcheson, he heard that fruitful formula which his own philosophy was to interpret and develop, "the greatest happiness of the greatest number." His mind was opened at once to the wisdom of the ancients and to the discoveries of the moderns. He learned from Bacon, and Grotius, and Locke, and Newton to discern through the obscuring mists of mediæval philosophy the splendid dawn of science. To the end of his life he loved to recall "the abilities and virtues of the never-to-be-forgotten Dr. Hutcheson." Unorthodox yet not irreligious, radical yet not revolutionary, receptive yet inspiring, erudite yet original, Hutcheson was one of those rare reformers whose zeal is fertilised by knowledge and enforced by practical devotion. In early manhood he had refused to seek an easy advancement by subscribing to the tenets of the

Church of England in Ireland, and while Smith was at Glasgow he braved the resentment of the Presbytery by teaching moral principles which were supposed to contravene the Westminster Confession. He was also the first in the University to abandon the practice of lecturing in Latin; and Dugald Stewart tells us that his old pupils were all agreed about his extraordinary talent as a public speaker. His pen was so unequal to his tongue that Stewart applies to Hutcheson what Quintilian said of Hortensius: "apparet placuisse aliquid eo dicente quod legentes non invenimus."—"He gave a pleasure to his hearers which his readers miss." [6]

Hutcheson's work in Glasgow (1730-1746) was of the utmost importance to Scotland. "I am called the New Light here," he said. He stood for reform of the universities, for the criticism of abuses and privileges, for free thought, free speech, and the spirit of inquiry. He took a lively interest in his pupils, and tried to keep them abreast of the times. He set Adam Smith to write an analysis of Hume's *Treatise of Human Nature* as soon as it appeared, and the lad of seventeen did his exercise so well that Hume got it printed in London and had a copy of the *Treatise* sent him by way of reward. Hutcheson has been called an eclectic. Certainly he had read widely and thought deeply upon the difficulties and perplexities of a new age, an age of scientific discovery and philosophic doubt, an age tired of the syllogism, disdainful of divine right, eager to find natural principles of morality, law, and government. From the *System of Moral Philosophy*, published after his death, we get a clear notion of the range of his lectures. He considered man as a social animal, and accordingly refused to divorce the science of individual ethics from the science of politics. He followed Aristotle in including chapters on jurisprudence and economics in his scheme of moral philosophy. It has been well said that the same natural liberty and optimism which served Smith as assumptions were the theses of Hutcheson, who himself learned much from Shaftesbury. Hutcheson and Smith were both reformers, and were more hopeful, if less cheerful, than Hume. Hume was a genial cynic without any zeal for reform, who found repose in Butler's doctrine that things are what they are, and that their consequences will be what they will be. [7]

But with Hutcheson and Smith it was a real religion to see that society should be better governed; they made it the supreme object of their lives to

increase the happiness of mankind by diffusing useful truths and exposing mischievous errors. In the scope of his philosophy, in temper and practical aim, Smith may be called the spiritual descendant of Hutcheson. There are also marked resemblances in their subject matter and even in some minor points of doctrine, as a careful comparison recently instituted by a very competent writer abundantly shows.[2] We find Smith using the same authorities as his predecessor and quoting them to much the same purpose. Even Hutcheson's crude and fragmentary economics offered many suggestions that were afterwards developed and harmonised by Smith in his lectures. The Sunday lectures on Natural Theology, by which Hutcheson sought to reduce the intolerance and soften the harshness of Scottish orthodoxy, made a lasting impression upon the mind of his great pupil.

Besides his work with Hutcheson, Smith laid at Glasgow the foundation of an early mastery of the classics, and prepared himself for a wide course of reading in the literature and wisdom of the ancients. But mathematics and natural philosophy are said to have been his favourite pursuits at this time—indeed he seems to have attained in both a considerable proficiency, which never escaped the tenacious grip of his memory. Matthew Stewart, Dugald's father, was one of his fellow-students. Long afterwards, when Professor of Mathematics in Edinburgh, he was heard discussing with Smith "a geometrical problem of considerable difficulty," which had been set them as an exercise by Simson. Matthew Stewart, who died in 1785, is commemorated with Simson in the sixth edition of Smith's *Theory of Moral Sentiments*, published fifty years after this time. After observing that "mathematicians who may have the most perfect assurance of the truth and of the importance of their discoveries, are frequently very indifferent about the reception which they may meet with from the public," Adam Smith cites Dr. Robert Simson of Glasgow, and Dr. Matthew Stewart of Edinburgh, "the two greatest mathematicians that I ever had the honour to be known to, and I believe, the two greatest that have lived in my time," as men who never seemed to feel the slightest uneasiness from the neglect with which some of their most valuable works were received. For several years, he adds, even Sir Isaac Newton's *Principia* fell flat, but his tranquillity did not suffer for a single quarter of an hour. Newton always stood at the very top of Smith's calendar.

Smith left Glasgow at the early age of seventeen. His mother, acting on the advice of her relatives, had destined the boy for the Church of England, which then opened the door to so many lucrative positions. Perhaps they hoped from his talents for a career like that of his famous countryman, Bishop Burnet, who indeed had himself been a Professor of Divinity at Glasgow. The intention went so far that in his third year Smith sought and obtained one of those exhibitions which have taken so many distinguished Scots from the University of Glasgow to Balliol College, Oxford. The Snell Exhibitions, as they are called, were founded by an old Glasgow student of that name in 1679, with a view to educating Scots for the service of the Episcopalian Church. It chanced, however, that during his residence at Oxford, an application made by the Oxford authorities to compel the Snell Exhibitioners "to submit and conform to the doctrines of the Church of England and to enter into holy orders" was refused by the Court of Chancery; so that when the time came Smith was able to choose his own career and to strike off from the easier road which took his Fifeshire friend Douglas in due time to a bishopric. The change from Glasgow to Oxford was immense. It was more than exile; it was transmigration from a living to a dead society, from the thrill of a rising and thriving community, where men lived and moved and thought, to a city of dreaming spires and droning dons. In June 1740 he rode on horseback to Oxford and matriculated on the 17th of July, entering himself in a round schoolboy hand as "Adamus Smith, e Coll. Ball. Gen. Fil. Jul. 7mo. 1740."

9

It will be remembered that when Captain Waverley crossed the border, five years later, on his way to join the Young Pretender, the houses of Tully Veolan seemed miserable in the extreme, "especially to an eye accustomed to the smiling neatness of English cottages." Smith rode through Carlisle, and he told Samuel Rogers in 1789 that he recollected being much struck as he approached that town by the richness of England and by the superiority of English agriculture. England indeed was then remarkably prosperous, thanks to a long peace, low taxes, and good harvests. Food was generally cheap and plentiful. Trade was good; and better means of transit by road and canal were being developed. But the land of the Scots, "during fifty generations the rudest perhaps of all European nations, the most necessitous, the most turbulent, and the most unsettled," was still unimproved. The roads were almost impassable for wheeled vehicles.

10

Coaches were unknown.[3] Many of the most fertile tracts were waste, and there is respectable authority for the opinion that some parts of the Lowlands were worse cultivated than in the thirteenth century. Under such conditions, rude beyond conception, poverty was universal. Even the gentry could seldom afford such bare comforts as half a century later their own farmers possessed. As for the common people, clothed in the coarsest garb and starving on the meanest fare, they dwelt in despicable huts with their cattle. It is significant that in those days Scotland had no fatted kine. There was no market for good meat, and the taste only grew with the means for gratifying it. Adam Smith was fond of telling at his own table in after years, how on the first day he dined in the hall of Balliol, having fallen into one of his fits of absent-mindedness, he was roused by the servitor who told him to "fall to, for he had never seen such a piece of beef in Scotland."

Of the hundred undergraduates then at Balliol about eight came from Scotland, and four of these were Snell Exhibitioners. Their peculiarities of manner and dialect marked them off from the rest of the college, and they were treated as foreigners. Their relations with the authorities were unpleasant. In 1744, Smith and the other Exhibitioners stated their grievances to the Senate of Glasgow University, and explained how their residence might be made "more easy and commodious." A few years afterwards, one of them told the Master that what the Exhibitioners wanted was to be transferred to some other college on account of their "total dislike of Balliol." The friction between Balliol and Glasgow lasted long, and it was no doubt his own unsatisfactory experience that drew from Adam Smith thirty years afterwards a strong condemnation of close scholarships.[4]

The University of Oxford was at that time and for the rest of the century sunk deep in intellectual apathy, a muddy reservoir of sloth, ignorance, and luxury from which men sank as by a law of gravitation into the still lower level of civil and ecclesiastical sinecures. In the colleges there were only degrees of badness; but the charity of Snell had been rather unkind to Smith, for Balliol being Jacobite was particularly rowdy and intolerant. It has been mentioned that in his last year at Glasgow, Smith wrote for Hutcheson an abstract of David Hume's *Treatise of Human Nature* which

brought him a presentation copy from the author. This copy he seems to have carried south with him; for the Balliol authorities, it is recorded, caught Smith in the act of reading the godless work, censured him severely, and confiscated a book which more than a century afterwards was to be sumptuously edited by two honoured alumni of the same college.

The narrow spirit which this incident illustrates seems to have made a painful impression upon the student's memory. In the *Wealth of Nations* he complains bitterly of the compulsory "sham-lecture," and visits with severe censure the casuistry and sophistry by which the ancient course of philosophy had been corrupted. This completed course, he says, was meant to train ecclesiastics, and "certainly did not render it more proper for the education of gentlemen or men of the world, or more likely either to improve the understanding or to mend the heart." At Oxford "the greater part of the public professors have for many years given up altogether even the pretence of teaching." College discipline was in general contrived "not for the benefit of the students, but for the interests, or more properly speaking, for the ease of the masters." 12

In England the public schools were "much less corrupted than the universities; for in the schools a boy was taught, or at least might be taught Greek and Latin," whereas "in the universities the youth neither are taught, nor always can find any proper means of being taught, the sciences which it is the business of those incorporated bodies to teach." It is only fair to add that Gibbon's experiences of Magdalen, Bishop Butler's of Christ Church, and Bentham's of Queen's, were equally adverse. And Balliol could at least offer its undergraduates the advantage of an excellent library. When such a cloud lay heavy upon that ancient seat of learning, it is no wonder if Smith with his sedentary disposition and frugal habits—he probably lived on his exhibition of £40—should have spent his six years at Balliol in the society of its books rather than of its tipsy undergraduates. Oxford, it has been observed by the most diligent of his biographers, is the only place he lived in which failed to furnish him with friends. But he never displayed towards it the lively antipathy of Gibbon; far from regretting his residence there, he mentioned it with gratitude many years afterwards. In Oxford he certainly gained the liberal knowledge of ancient and modern literature that enriches and adorns all his writings. The bookshops must have introduced 13

him to his favourite Pope, to Swift and Addison, and the fashionable writers of the day. He employed himself frequently, he used to say, in the practice of translations, especially of French authors, in order to improve his style.

"How intimately," writes Dugald Stewart, "he had once been conversant with more ornamental branches of learning, in particular with the works of the Roman, Greek, French, and Italian poets, appeared sufficiently from the hold they kept of his memory after all the different occupations and inquiries in which his maturer faculties had been employed." He had an extraordinary knowledge of English poetry, and could quote from memory with a correctness which, says the same grave Scot, "appeared surprising even to those whose attention had never been directed to more important acquisitions." What little intellectual activity outside politics still lingered on at Oxford was probably connected with philological speculations such as those of James Harris, the learned, if somewhat priggish, author of *Hermes*. At any rate, Smith went deeply into every branch of grammar. Andrew Dalzel, who was Professor of Greek at Edinburgh in Adam Smith's old age, often remarked on "the uncommon degree in which Mr. Smith retained possession even to the close of his life of different branches of knowledge which he had long ceased to cultivate," and particularly mentioned to his colleague Dugald Stewart, "the readiness and correctness" of his memory on philological subjects and his acuteness in discussing the *minutiæ* of Greek grammar.

Dugald Stewart failed to collect any information about Smith's Oxford days, but a few relics have been preserved by Lord Brougham in the appendix to the discursive and rather disappointing essay upon Adam Smith that appears in his *Lives of the Philosophers*. "I have now before me," says Brougham, "a number of Dr. Smith's letters written when at Oxford between the years 1740 and 1746 to his mother: they are almost all upon mere family and personal matters; most of them indeed upon his linen and other such necessaries, but all show his strong affection for his parent." The few quotations Brougham gives are barely worth recording. On November 29, 1743, Adam Smith writes: "I am just recovered of a violent fit of laziness, which has confined me to my elbow chair these three months." Again on July 2, 1744: "I am quite inexcusable for not writing to you oftener. I think of you every day, but always defer writing till the post is just

going, and then sometimes business or company, but oftener laziness, hinders me." He speaks of "an inveterate scurvy and shaking of the head" which have been perfectly cured by tar water, "a remedy very much in vogue here for all diseases."

His college contemporaries, says Mr. Rae, "were a singularly undistinguished body," with the exception of a Fifeshire man, John Douglas, who had gone direct to Oxford from the Grammar School at Dunbar. Douglas at first had a small exhibition at St. Mary's Hall, but after fighting at Fontenoy, he obtained a Snell Exhibition. He distinguished himself later as a pamphleteer and was rewarded with the Bishopric of Salisbury. With this exception, Adam Smith seems to have made no friends at Oxford. Besides his books he must have enjoyed from time to time walks and excursions into the surrounding country. In the *Wealth of Nations* he was able to make close comparisons of the condition of the labouring classes in England and Scotland, and there is a passage, about the use of coal and wood by the common people in Oxfordshire, to show that he had certainly acquired as an undergraduate the faculty of minute and picturesque observation which he afterwards turned to such account.[5] What Smith did in the vacations we do not know. He could not have had much money to spare, and there is no indication that he ever returned home or even visited London.

15

At last, in August 1746, after taking his degree as a Bachelor of Arts, he retraced his steps to Scotland, and gave up all thought of a clerical career. In the words of his biographer, "he chose to consult in this instance his own inclinations in preference to the wishes of his friends; and abandoning at once all the schemes which their prudence had formed for him, he resolved to return to his own country and to limit his ambition to the uncertain prospect of obtaining, in time, some one of those moderate preferments to which literary attainments lead in Scotland." He was now in 1746 again in his mother's house at Kirkcaldy, "engaged in study, but without any fixed plan for his future life." So far as I am aware, none of Adam Smith's biographers has definitely assigned to this period any of the writings which he either published or left to his executors. In the latter class, however, there is a group of fragments dealing with the history of Astronomy, of Ancient Physics, and of Ancient Logic and Metaphysics, and

16

an elaborate essay on *The Imitative Arts*, which are collectively described by his executors in an advertisement as "parts of a plan he once had formed for giving a connected history of the liberal sciences and elegant arts."[6]

The essay on *The Imitative Arts* belongs to a different design and to a slightly later period. But it seems clear that the *History of Astronomy* was composed at this time.[7] There is no other period of his life in which he would have been so well able to collect the materials for an examination of the systems of the Greek, the Arabian, and the mediæval astronomers as in the six years of Oxford study, or so likely to shape them into a finished treatise as in the two quiet years spent at Kirkcaldy immediately after his return, when, we are told, he was "engaged in study, but without any fixed plan for his future life." The *History of Astronomy*, which takes us from the schools of Thales and Pythagoras through the systems of Copernicus, Tycho Brahe, Galileo, Kepler, and Descartes to that of Sir Isaac Newton, is complete in itself, though from certain notes and memoranda which accompanied it Smith's executors were led to believe that he contemplated some further extension.[8] It ends very appropriately with an enthusiastic description of Sir Isaac Newton's discovery as the greatest ever made by man. He had acquired "the most universal empire that was ever established in philosophy," and was the only natural philosopher whose system, instead of being a mere invention of the imagination to connect otherwise discordant phenomena, appeared to contain in itself "the real chains which nature makes use of to bind together her several operations." In attributing the *History of Astronomy* to Oxford and Kirkcaldy I except the concluding pages, which must have been added in the last years of his life; for in a letter to Hume (1773) he spoke of it as a history of Astronomical Systems to the time (not of Newton but) of Descartes.

17

Although complete in itself, this masterly essay was plainly meant by its author to form only one book in a great history of philosophy. It begins with three short introductory sections, the first on surprise, the second on wonder, and the third on the origin of philosophy. It is the function of philosophy, he says, to discover the connecting principles of nature, and to explain those portents which astonish or affright mankind. He then shows

18

that celestial appearances have always excited the greatest curiosity, and describes with extraordinary learning and vivacity the long series of attempts that had been made to account for "the ways of the sky and the stars"—

"How winter suns in ocean plunge so soon,
And what delays the timid nights of June."

The History of Ancient Physics, a much shorter fragment, is placed in his collected works immediately after the *History of Astronomy*. It evidently belongs to the same early period, but is of little interest. Upon *The History of Ancient Logics and Metaphysics* we shall have something to say in our next chapter.

After two years of waiting, Adam Smith got his opportunity. His neighbour, James Oswald of Dunnikier, had become Kirkcaldy's representative in Parliament, and was now a Commissioner of the Navy. Through Oswald Smith seems to have been introduced to Henry Home (Lord Kames), a leader of the Edinburgh Bar, and arbiter of Scottish elegancies. Home was a warm patron of English literature, and was busily importing it along with English ploughs and other Southern improvements into his native land. What a contrast between this typical Scotch patriot of 1750 and grim old Fletcher of Saltoun, the corresponding type of 1700, whose remedy for Scottish ills was to restore slavery, and place all labourers in the situation of salters and colliers! Finding that Smith had acquired the accent and was well read in the prose and poetry of England, Home encouraged him to give what we should now call extension lectures in Edinburgh. Accordingly the young Oxford graduate delivered a course of lectures on English literature in the winter of 1748-9, adding in the following year a course on political economy in which he preached the doctrines of natural liberty and free trade. The English lectures were attended by Henry Home, Alexander Wedderburn, and William Johnstone (Sir William Pulteney), and proved no mere success of esteem; for they brought in a clear £100, and were so popular that they were repeated in the two following winters. The manuscript of these lectures was burnt shortly before his death, and the world is probably not much the poorer. Smith shared the opinions of his age, and set up Dryden, Pope, and Gray on pedestals from which they were

soon to be thrown down by the children of nature and romance. He gave these lectures afterwards at Glasgow, and Boswell, who attended them in 1759, told Johnson that Smith had condemned blank verse. Johnson was delighted, and cried out: "Sir, I was once in company with Smith, and we did not take to each other; but had I known that he loved rhyme as much as you tell me he does, I should have hugged him." One cannot help wondering what would have been said if Boswell had repeated another of our author's critical opinions, that Johnson was "of all writers ancient and modern the one who kept off the greatest distance from common sense."

The most valuable part of Adam Smith's critical lectures has been preserved in an essay on the *Imitative Arts*, which I should judge from internal evidence to have been drafted at this time, but to have been revised and improved in later years. Considering that neither Burke's essay on the *Sublime and Beautiful* nor Lessing's *Laocoon* had then appeared, we cannot but admire the originality he displayed in analysing the different effects produced by sculpture, painting, music, and dancing, and in distinguishing the different pleasures that attend the various kinds and degrees of imitation. He works out with much ingenuity the theory of the *difficulté surmontée* by which Voltaire accounted for the effect of verse and rhyme. Smith extends this principle to other arts, and seeks, always cleverly, often successfully, to show that much of our delight in art arises from our admiration for the artist's skill in overcoming difficulties. He declares that a disparity between the imitating and the imitated object is the foundation of the beauty of imitation. The great masters of statuary and painting never produce their effects by deception. To prove this, he refers to the rather unpleasing effect produced by painted statues and by the reflections of a mirror. Photography would have supplied him with another illustration.

20

It may here be said that, though judged by modern standards of criticism Smith's taste was faulty, yet all his favourite authors are in the first rank, and there is no instance recorded of his having bestowed praise on anything bad either in prose or poetry. "You will learn more as to poetry," he once said, "by reading one good poem than by a thousand volumes of criticism." Wordsworth in one of his prefaces calls him most unjustly "the worst critic, David Hume excepted, that Scotland, a soil to which this sort of weed seems natural, has produced." The Lake Poet, who did not distinguish

21

between the quality of the "Ode on the Intimations" and "Peter Bell," was probably thinking of some literary anecdotes that appeared in *The Bee* in 1791 after Smith's death. The writer, who may or may not be trustworthy, is only repeating table talk. He mentions that Smith depreciated Percy's *Reliques* and some of Milton's minor poems. With regard to blank verse, Smith said: "they do well to call it blank, for blank it is. I myself, even I, who never could find a single rhyme in my life, could make blank verse as fast as I could speak." From this censure he always excepted Milton; but he thought the English dramatists should have used rhyme like the French. Racine's *Phèdre* appealed to him as the finest of all tragedies. Voltaire was his literary pope. Oddly enough, his first publisher's commission was to collect and edit (anonymously, of course) for the Foulis Press an edition of the poems of a well-known Jacobite, Hamilton of Bangour. The book was published in 1748, and contained the "Braes of Yarrow," which Wordsworth called an exquisite ballad. Hamilton had played poet laureate to the Young Pretender in 1745, and was still an exile in France. In 1750, when the poet was pardoned, he struck up a warm friendship with his anonymous editor, and (according to Sir John Dalrymple) Smith spent with him "many happy and flattering hours."

It has been said that in addition to his lectures on English literature Smith also delivered a course on Economics. This we know from a manuscript by which Dugald Stewart vindicates Adam Smith's claim to have been the original discoverer of the leading principles of political economy. This manuscript, a paper read by Smith to a learned society some years later, proves that he wrote, or rather dictated, his economic lectures in 1749, and delivered them in the following winter.

At this time David Hume and James Oswald were corresponding on commercial topics. In 1750 Hume, who was then abroad, sent Oswald his famous essay on the *Balance of Trade*, and asked for criticism. Oswald replied in a long letter which shows that he too held very enlightened views on public finance, and we may be pretty certain that Smith as well as Hume derived at this time much benefit from intercourse with Oswald. In fact, in his preface to Oswald's correspondence, Oswald's grandson boasts that he has heard Adam Smith, then the renowned author of the *Wealth of Nations*, "dilate with a generous and enthusiastic pleasure on the qualifications and

merits of Mr. Oswald, candidly avowing at the same time how much information he had received on many points from the enlarged views and profound knowledge of that accomplished statesman." Some allowance should be made for the natural exaggeration of a Scotch kinsman; but Smith certainly rated Oswald high, describing him in the paper above mentioned as one who combined a taste for general principles with the detailed information of a statesman. Stewart adds that "he was one of Mr. Smith's earliest and most confidential friends." They must have seen a great deal of one another both in Kirkcaldy and Edinburgh in the five years between his return from Oxford and the appointment we have now to record.

CHAPTER II

THE BEGINNING OF A CAREER

By his Edinburgh lectures Smith had proved that he could be at once learned and popular, and the fact that he was probably the only Scottish savant who had thoroughly acquired the English accent at a time when English had suddenly become highly fashionable north of the Tweed, would do him no harm in loyal Glasgow, where the English connection, with all its solid advantages, was well esteemed. Accordingly in 1750, when a vacancy occurred in the chair of Logic at Glasgow, Adam Smith's candidature proved very acceptable, and he was unanimously appointed by the Senate. A week later he read a Latin dissertation on the Origin of Ideas, signed the Westminster Confession of Faith before the Presbytery of Glasgow, and took the usual oath of fidelity to the authorities. So far as I am aware, it has not been noticed hitherto that the substance of Smith's inaugural dissertation, *De Origine Idearum*, has been preserved in a fragment published by his literary executors after his death. *The History of the Ancient Logics and Metaphysics*, as the piece is called, deserves notice not only as one of the earliest specimens of Smith's extraordinary power of reasoning, but because it proves his interest in some metaphysical questions which are suppressed or ignored in his larger treatises, and at the same time exhibits the range and accuracy of his classical scholarship.

In describing the ancient dialectic Smith had to give an explanation of what Plato meant by "ideas." The later Platonists imagined their master to mean no more than that "the Deity formed the world after what we would now call an idea or plan conceived in his own mind, in the same manner as any other artist." Against them the young philosopher proceeded to turn the formidable battery of ratiocination that was one day to demolish a living and formidable foe. It is characteristic of Adam Smith that whether he is attacking the harmless errors of an extinct school of thought, or the noxious fallacies of an established policy, he tries every mode of assault. He "swims, or sinks, or wades, or creeps, or flies":—

> "If Plato had meant to express no more than this most natural and simple of all notions, he might surely have expressed it more plainly, and would hardly, one would think, have talked of it with so much emphasis, as of something which it required the utmost reach of thought to comprehend. According to this representation, Plato's notion of species, or Universals, was the same with that of Aristotle. Aristotle, however, does not seem to understand it as such; he bestows a great part of his Metaphysics upon confuting it, and opposes it in all his other works."

Again, this notion of the separate existence of Species is the very basis of Plato's philosophy; and there is not a single dialogue in all his works which does not refer to it. Can Aristotle, "who appears to have been so much superior to his master in everything but eloquence," wilfully have misinterpreted Plato's fundamental principle when Plato's writings were in everybody's hands and his disciples were spread all over Greece; when Speusippus, the nephew and successor of Plato, as well as Xenocrates, who continued the school in the Academy, at the same time as Aristotle held his in the Lyceum, must have been ready at all times to expose and affront him for such gross disingenuity? Aristotle's interpretation had been followed by Cicero, Seneca, and every classical authority down to Plutarch, "an author who seems to have been as bad a critic in philosophy as in history, and to have taken everything at second-hand in both."

Whether Smith either then or at any time arrived at metaphysical certainty is very doubtful. "To explain the nature, and to account for the origin of general Ideas is," he says, "even at this day, the greatest difficulty in abstract philosophy."

> "How the human mind when it reasons concerning the general nature of triangles, should either conceive, as Mr. Locke imagines it does, the idea of a triangle, which is neither obtusangular, nor rectangular, nor acutangular; but which was at once both none and of all those together; or should, as Malbranche thinks necessary for this purpose, comprehend at once, within its finite capacity, all possible triangles of all possible forms and dimensions, which are infinite in number, is a question to which it is not easy to give a satisfactory answer."

He suggests that notions like those of Plato, or Cudworth, or Malebranche, depend a good deal upon the vague and general language in which they are expressed. So long as a philosophy is not very distinctly explained, it "passes easily enough through the indolent imagination accustomed to substitute words in the room of ideas." Platonism vanishes indeed, and is discovered to be altogether incomprehensible upon an attentive consideration. It did, however, require attentive consideration, and but for Aristotle "might without examination have continued to be the current philosophy for a century or two." This early and unnoticed composition proves that Smith had thought deeply on metaphysics though he deliberately avoided them in his masterpieces.

[26]

He found time to translate and read part of the essay as a Latin dissertation; but his engagements in Edinburgh prevented him from taking up his new work before the autumn. When October came he found his task doubled. Craigie, the Professor of Ethics, had fallen ill, and had been ordered to Lisbon for his health. Smith was informed of this by Dr. Cullen, one of his new colleagues, and was requested to undertake Craigie's duties. It was further suggested that he should pay particular attention to jurisprudence and politics, which were held to fall within the province of moral philosophy. Smith replies (3rd September 1751) that he will gladly relieve Craigie of his class, and will willingly undertake to lecture on natural jurisprudence and politics.

The session began on the 10th of October, and soon afterwards came the news of Craigie's death. Smith detested the sophisms of what he called "the cobweb science" of Ontology, and cared little for the Logic of the schools. He was anxious, therefore, to be transferred to the chair of Ethics, and at the same time formed a design with other friends to procure the appointment of his friend David Hume to the chair of Logic. But the prejudice against Hume proved too strong. "I should prefer David Hume to any man for the college," Smith wrote privately to Cullen, "but I am afraid the public would not be of my opinion, and the interest of the society will oblige us to have regard to the opinion of the public." This was from Edinburgh, whither Smith had made what was then (incredible as it may seem) a two-days' journey from Glasgow, in order to wait upon Archibald, Duke of Argyll, nicknamed King of Scotland, because he exercised a sort of royal

[27]

influence over all Scottish appointments. At the duke's levee Smith was duly introduced, and his application was successful. The transfer was effected, and in April Smith was appointed to the chair which he was to adorn for twelve years. It was perhaps the most important event of his life. For a temperament like his, so prone to study and reflection, so averse to the toil of the pen, required some constant external stimulus, some congenial inducement to undertake the task of exposition. His gifts might have remained idle, his talents buried, had not the warm and sympathetic atmosphere of a full, eager, and admiring class-room set his tongue and his more reluctant pen in motion. We need not brood over the might-not-have-beens; but when we think of the power that fortune exercises over men's lives, we may thank her for assigning Adam Smith at this critical moment to the town and University of Glasgow. By that propitious act she lent powerful aid to the construction of a science that must ever be associated with the prosperity and peaceful progress of mankind.

Smith himself has indicated in a general statement the advantages he derived from this professorship:—

> "To impose upon any man the necessity of teaching, year after year, any particular branch of science, seems, in reality, to be the most effectual method for rendering him completely master of it himself. By being obliged to go every year over the same ground, if he is good for anything he necessarily becomes, in a few years, well acquainted with every part of it: and if upon any particular point he should form too hasty an opinion one year, when he comes in the course of his lectures to reconsider the same subject the year thereafter, he is very likely to correct it. As to be a teacher of science is certainly the natural employment of a mere man of letters, so is it likewise perhaps the education which is most likely to render him a man of solid learning and knowledge."

He regarded the profession of teacher as an education, and for that very reason he never ceased to be a learner and a discoverer. Instead of sticking in the muddy ruts of dogma, he drove on gathering facts and opinions till he reached the goal. To vary a well-known inscription, he might have written over the door of his class-room, "Deverticulum philosophi ad veritatem proficiscentis,"—the resting-place of a philosopher on march to truth.

Assuredly a happier appointment was never made, whether we look at the true interests of the Professor himself or at those of the University. Smith always thought the years at Glasgow the happiest and most useful of his life. Besides his strong preference for Morals over Logic, he had carnal reasons to rejoice in the transference, for it gave a rather better income. Altogether the chair of Morals at Glasgow seems to have yielded about £170 a year—a fine income in Scotland at a time when, as Mr. Rae observes, the largest stipend in the Presbyterian Church was £138.

In addition to salary and fees, Smith was allotted a good house in the Professors' Court, which he shared with his mother and cousin (Miss Jane Douglas), who came from Kirkcaldy to live with him. The manses in the old Professors' Court were held by the professors in order of seniority, and Smith removed three times in order to take full advantage of his privileges, obtaining the best in 1762, when Leechman, Hutcheson's biographer, was appointed Principal. In 1761, when a second edition of the *Moral Sentiments* appeared, with a newly inserted passage describing the view from his study window, he was in the house previously occupied by Dr. Dick, Professor of Natural Philosophy. To this house nature seems to have been especially kind,—though in reading Smith's description of his view we must recollect that Glasgow, the garden city, was then famous for the clearness of its atmosphere and the beauty of its surroundings. "In my present situation," that is to say, looking from the window of his study, he sees "an immense landscape of lawns and woods and distant mountains." The landscape illustrates the philosophy of the mind: it "seems to do no more than cover the little window which I write by and to be out of all proportion less than the chamber in which I am sitting." He can form a just comparison between the great objects of the remote scene and the little objects in the room only by transporting himself to a different station from whence both could be surveyed at nearly equal distances. The image, it will be seen, is introduced by Adam Smith to illustrate his theory of "the impartial spectator," the judge within the breast, whom we must consult if we are to see the things that concern ourselves and others in their true shape and proportions. Just as a man must in some measure be acquainted with the philosophy of vision before he can be thoroughly convinced how small is his own room compared with the mountains he sees from his window, so to the selfish and original passions of human nature,

unschooled by experience, unassisted by scale or measure, “the loss or gain of a very small interest of our own appears to be of vastly more importance, excites a much more passionate joy or sorrow than the greatest concern of another with whom we have no particular connection.”[9]

With the failure of Hume’s candidature for the Logic chair was lost a golden opportunity of associating two of the first philosophers of that age on the staff of a small provincial college in one of the poorest, rudest, and least frequented kingdoms of Western Europe. The legend that Burke (four years before he published his *Treatise on the Sublime and Beautiful*) was another candidate has been adjudged apocryphal, though it was formerly accepted by good authorities. Many of the Glasgow students were Irish Presbyterians, and an Irishman might well have been encouraged to seek a chair in the University of Hutcheson.

George Jardine, a student in 1760 and Professor of Logic from 1774, dated the first radical reform in the teaching of philosophy at Glasgow, from a royal visitation of 1727, after which each professor was restricted to a particular department instead of being required to lecture for three successive years in logic, ethics, and physics. He adds that the improvements thus introduced were greatly promoted by fortunate appointments. First came Dr. Francis Hutcheson, whose “copious and splendid eloquence” illustrated an amiable system of morality, and at the same time popularised the use of English as the medium of instruction. Hutcheson’s reforms were not suspended by his death. But the Logic class continued to be conducted in Latin until Adam Smith, being rather unexpectedly called to the office in 1750, “found it necessary to read in the English language a course of lectures in Rhetoric and Belles Lettres which he had formerly delivered in Edinburgh.” The last department in the University to abandon Latin was Law, and the innovator was Smith’s pupil and friend, John Millar.

After Smith’s brief tenure of the chair, Logic fell back for a time to its old subject-matter, but the Latin medium could not be revived. “From the time that the lectures began to be delivered in English the eyes of men were opened,” writes Jardine. It was felt that the old logic of the schools, even when perfectly understood, had little or no connection with modern

thought, and none with the active business of life. The local situation, too, of the University in a great commercial city, where men had a quick perception of utility, and looked for a clear adaptation of means to ends, helped to promote reform. But dislike of Logic and Ontology was not peculiar to Smith or to Glasgow. They were discountenanced by the most popular philosopher of that age. “Had the craftiest men,” wrote Shaftesbury in his *Characteristics*, “for many ages together been employed in finding out a method to confound reason and to degrade the understandings of men, they could not perhaps have succeeded better than by the establishing of this mock science.” Hutcheson had ignored logic and avoided metaphysical problems. In his *Theory of Moral Sentiments*, Smith renounced “the abstruse syllogisms of a quibbling dialectic”; but he never made the mistake of confounding Aristotle with the Aristotelians.

There is in the *Wealth of Nations* a highly interesting digression upon the Universities, to explain how Greek conceptions of philosophy were debased in the Middle Ages, and how its ancient division into three parts was altered for another into five in most of the academies of Europe. In the ancient philosophy, whatever was taught concerning the nature either of the human mind or the deity made a part of the system of physics. Whatever reason could conclude or conjecture upon the human and the divine mind, made two chapters of “the science which pretended to give an account of the origin and revolutions of the great system of the universe.” But in the universities of Europe, “where philosophy was taught only as subservient to theology,” it was natural to dwell upon these two chapters and to make them distinct sciences. And so Metaphysics or Pneumatics were set up in opposition to Physics.

The result was, in Adam Smith’s view, disastrous. While on the one hand, subjects requiring experiment and observation, and capable of yielding many useful discoveries, were almost entirely neglected; on the other a subject, in which “after a few very simple and obvious truths the most careful attention can discover nothing but obscurity and uncertainty, and can consequently produce nothing but subtleties and sophisms, was greatly cultivated.” Metaphysics having thus been set up in opposition to physics, the comparison between them naturally gave birth to a third, called ontology, or the science which treated of the qualities and attributes

common to both. “But if subtleties and sophisms composed the greater part of the Metaphysics or Pneumatics of the schools, they composed the whole of this cobweb science of Ontology.” Holding these views, it is not surprising that Smith welcomed an escape from this chair to one which proposed as its object an inquiry of a very different nature: wherein consists the happiness and perfection of a man, considered not only as an individual, but as the member of a family, of a state, and of the great society of mankind. Here was a stepping-stone to the *Wealth of Nations*. Meanwhile he did what he could to unsettle the cobweb sciences.

Of Smith as a logician, John Millar, a member of his class in 1751-2, wrote that he “saw the necessity of departing widely from the plan that had been followed by his predecessors, and of directing the attention of his pupils to studies of a more interesting and useful nature than the logic and the metaphysics of the schools.” Accordingly, says Millar, “after exhibiting a general view of the powers of the mind, and explaining so much of the ancient logic as was requisite to gratify curiosity with respect to an artificial method of reasoning which had once occupied the universal attention of the learned, he dedicated all the rest of his time to the delivery of a system of rhetoric and belles lettres.” Another of those who attended his classes at Glasgow says that even after he became Professor of Moral Philosophy he would from time to time give lectures on taste and literature, and it must have been one of these that Boswell heard in 1759. Art, the drama, and music were always favourite objects of his speculations, and doubtless the substance of his essay on the *Imitative Arts* was delivered from time to time in the University. Millar says Smith never appeared to greater advantage than as a lecturer:—

> “His manner, though not graceful, was plain and unaffected, and as he seemed to be always interested in the subject, he never failed to interest his hearers. Each discourse consisted commonly of several distinct propositions, which he successively endeavoured to prove and illustrate. These propositions when announced in general terms had, from their extent, not unfrequently something of the air of a paradox. In his attempts to explain them, he often appeared at first not to be sufficiently possessed of the subject, and spoke with some hesitation. As he advanced, however, the matter seemed to crowd upon him, his manner became warm and

> animated, and his expression easy and fluent. In points susceptible of controversy you could easily discern that he secretly conceived an opposition to his opinions, and that he was led upon this account to support them with greater energy and vehemence. By the fulness and variety of his illustrations the subject gradually swelled in his hands and acquired a dimension which, without a tedious repetition of the same views, was calculated to seize the attention of his audience, and to afford them pleasure as well as instruction in following the same subject through all the diversity of shades and aspects in which it was presented, and afterwards in tracing it backwards to that original proposition or general truth from which this beautiful train of speculation had proceeded."

Another old pupil dwelt upon his "animated and extemporaneous eloquence," especially when he was drawn into digressions in the course of question and answer. Smith himself attributed his success very largely to the vigilant care with which he watched his audience; for he depended very much upon their sympathy. "During one whole session," he is reported to have said, "a certain student with a plain but expressive countenance was of great use to me in judging of my success. He sat conspicuously in front of a pillar: I had him constantly under my eye. If he leant forward to listen all was right, and I knew that I had the ear of my class; but if he leant back in an attitude of listlessness I felt at once that all was wrong, and that I must change either the subject or the style of my address."

CHAPTER III

THEOLOGY AND RELIGIOUS ESTABLISHMENTS

The age into which Adam Smith was born was an age of religious doubt and philosophic curiosity. During his lifetime the governing classes in England, undisturbed by enthusiasms, were little disposed to entertain revolutionary ideas in politics or religion. It seemed to be the function of philosophic thinkers to leave the constitution of a tolerably liberal State and a tolerably lax Church, and to advance in other directions. The fierce storms that bent the course of Selden and Milton and Hobbes had abated. Men tried to forget

> "The lifted axe, the agonising wheel,
> Luke's iron crown, and Damien's bed of steel."

No one believed that the Deity created kings; many doubted whether there was a Deity at all. Since the great days of Athens, philosophy had seldom reaped a richer harvest than in Great Britain during the eighty years that followed the Act of Union. Newton's *Principia*, and the philosophy of Shaftesbury, Clarke, Mandeville, Hutcheson, and Butler, as well as of Hume and Adam Smith, all fall within this period. Speculative discovery went hand in hand with mechanical invention. The poetry of enthusiasm, religious and political fervour, persecution, martyrdom, with all their heroic and squalid accompaniments, preceded and followed this prosaic illumination. It was a chapter of dry light between two of heat and fire and smoke. Reason reigned; and as reason seldom wears an air of originality, we need not wonder if later ingenuity has discovered that all these philosophers borrowed their doctrines either from the ancients or from one another or from foreigners.

But though there appears to be just now a tendency to carry the search for the genealogy and pedigree of ideas rather too far, it is certainly not our purpose to show that Adam Smith was a solitary conqueror who founded a kingdom entirely for himself, and peopled it with the creatures of his imagination. Every great thinker holds the past in fee, as he levies a

perpetual tribute on the future. We may see how in the *Theory of Moral Sentiments* and in his lectures on Justice and Police Smith selected and used his materials; how, with the aid of Hutcheson and Mandeville and Hume, he invented a new doctrine of sympathy, and how he worked up the Platonic idea of the division of labour, and the Aristotelian theory of money, into a true science of national wealth. Nothing is left of the first part of the lectures, which dealt (briefly, no doubt) with natural theology and, in the earliest years of his professorship, very fully with moral philosophy. His pupil and friend Millar says that under the head of Natural Theology, the first part of his course, Smith considered the proofs of the being and attributes of God, and those principles of the human mind upon which religion is founded.

In the *Moral Sentiments* and his other writings there are plenty of passages to indicate that he was a theist with a belief rather more active and definite than that of his friend Hume or of his master Aristotle, but few or none that he was a Christian. As professor he had to sign the Westminster Confession of Faith, a perfunctory act which even Hume would readily have performed without the scandal that surrounded Jowett's cynical subscription a century later. But it was noticed by the orthodox that he was sadly wanting in zeal. Hutcheson, doubtless with the purpose of naturalising theology, had conducted a Sunday class on Christian evidences. Adam Smith discontinued this practice, and it was even whispered that he had applied to the authorities shortly after his appointment to be excused from opening his class with prayer. The request was refused, but the results were not satisfactory; for according to a contemporary, John Ramsay of Ochtertyre, his opening prayers "savoured strongly of natural religion," while his theological lectures, though shorter, were no less flattering to human pride than those of Hutcheson, and led "presumptuous striplings" to draw the unwarranted conclusion "that the great truths of theology, together with the duties which man owes to God and his neighbours, may be discovered by the light of nature without any special revelation." He was also, they say, often seen to smile openly during divine service in his place in the college chapel. When one remembers what orthodox Scottish sermons at that time meant, it is safe to conjecture that the smile was not always due (as Ramsay would have it) to an absent thought.

Although the lectures on Natural Theology have disappeared, the lectures on Morals were elaborated and published in 1759 as *The Theory of Moral Sentiments*. From this, his first important work, we may sufficiently [39] ascertain how far Smith's philosophy of life was based upon religious conceptions. Fortune governs the world. Nature intended the happiness and perfection of the species. Every part of nature, when attentively surveyed, equally demonstrates the providential care of its Author. Smith's own scepticism is so carefully phrased and so disguised in soft language, that a stupid reader is never perplexed, a devout one never offended. Take, for example, his reflections upon the doctrine of a future life. That there is a world to come, he says in a passage of striking eloquence, "is a doctrine in every respect so venerable, so comfortable to the weakness, so flattering to the grandeur of human nature, that the virtuous man, who has the misfortune to doubt of it, cannot possibly avoid wishing most earnestly and anxiously to believe it. It could never have been exposed to the derision of the scoffer, had not the distribution of rewards and punishments, which some of its most zealous assertors have taught us was to be made in that world to come, been too frequently in direct opposition to all our moral sentiments." Smith had no great respect for the devout. To him the ritual and worship of the Deity seemed like the service and courtship of kings. He refuses to believe that an all-wise Deity would have a mind for adulation or would offer heavenly rewards to those who consecrate their lives to His worship:—

> "That the assiduous courtier is often more favoured than the faithful and active servant; that attendance and adulation are often shorter and surer roads to preferment than merit or service; and that a campaign at Versailles or St. James's is often worth two either in Germany or Flanders, is a complaint which we have all heard from many a [40] venerable, but discontented, old officer. But what is considered as the greatest reproach even to the weakness of earthly sovereigns, has been ascribed, as an act of justice, to divine perfection; and the duties of devotion, the public and private worship of the Deity, have been represented even by men of virtue and abilities, as the sole virtues which can either entitle to reward or exempt from punishment in the life to come."

His indignation flames out against celebrated doctors, both civil and ecclesiastical, who have questioned whether faith should be kept with rebels and heretics ("those unlucky persons who, when things have come to a certain degree of violence, have the misfortune to be of the weaker party"). Of all the corrupters of moral sentiments, "faction and fanaticism have always been by far the greatest."

Morality is natural, but its rules have been sanctioned by the rudest forms of religion. Whether our moral faculties depend upon a modification of reason, upon a moral sense, or upon some other principle of our nature, they carry with them the most evident badges of authority, and were plainly set up within us to superintend our passions and appetites and to be the supreme arbiters of our actions. They are described in religious language as the vice-regents of God within us; they never fail to punish sin by the torments of inward shame and self-condemnation; they reward obedience with tranquillity and contentment. Oncken thinks that Smith's eloquent vindication of conscience helped to form Kant's moral idealism; but it puts us more in mind of the Roman satirist's great line—

"Nocte dieque suum gestare in pectore testem."

Moral judgments likewise help to correct in some measure the course of this world. "The industrious knave cultivates the soil; the indolent good man leaves it uncultivated. Who ought to reap the harvest?" Here the natural course of things decides against the natural sentiments of mankind. Human laws therefore often punish the knave or traitor though industrious, and reward the good citizen though improvident. Thus man is by nature prompted to correct nature; but even so his endeavours are often impotent; the current is too strong. Our natural sentiments are often shocked. We see great combinations oppress small. We see the innocent suffer. Despairing of earthly forces to check the triumph of injustice, we naturally appeal to heaven, "and thus we are led to a belief in the future state by the love of virtue," and moral rules acquire new sanctity by being regarded as the laws of an all-powerful Deity. As religion in this way enforces an innate sense of duty, mankind is generally disposed to place great confidence in the probity of those who seem to be deeply religious.

And where religion has not been corrupted, “wherever men are not taught to regard frivolous observances, as more immediate duties of religion, than acts of justice and beneficence; and to imagine, that by sacrifices, and ceremonies, and vain supplications, they can bargain with the Deity for fraud, and perfidy, and violence, the world undoubtedly judges right in this respect, and justly places a double confidence in the rectitude of the religious man’s behaviour.”

Upon the dangerous question of religious establishments and dissenting sects he wrote afterwards in the *Wealth of Nations* (Book v. i.) with a boldness and an air of detachment that might well startle even that age of tolerant indifference. He contrasts the teachers of new religions with the clergy of an ancient system, who are frequently possessed of learning, eloquence, and all the gentlemanly virtues. “Such a clergy, when attacked by a set of popular and bold though perhaps stupid and ignorant enthusiasts, feel themselves as perfectly defenceless as the indolent, effeminate, and full-fed nations of the southern parts of Asia, when they were invaded by the active, hardy, and hungry Tartars of the north.” Commonly, the only resource of such a clergy upon such an emergency is to summon the government to persecute or expel their adversaries. “It was thus that the Roman Catholic clergy called upon the civil magistrate to persecute the Protestants, and the Church of England to persecute the Dissenters.”

An established church may have a superiority of learning, but in the art of gaining popularity the advantage is always with its adversaries. He finds that, as dissenting bodies grow richer, their zeal and activity abate. The Independents, for instance, had many learned, ingenious, and respectable men; but the Methodists, without half the learning of the Dissenters, were more in vogue. The strength of the Church of Rome he attributed to the fact that the industry of its inferior clergy was better fostered by motives of self-interest than in the case of any established Protestant church; for many of the parish priests subsisted largely on voluntary gifts, “a source of revenue which confession gives them many opportunities of improving.” He notes also Machiavelli’s observation, that the establishment of the begging orders of St. Dominic and St. Francis revived, in the thirteenth and fourteenth centuries, the languishing faith and devotion of the

Catholic Church. Upon the question of the value of a State Church, Smith quotes from a certain passage of Hume's *History*, referring to his friend as "by far the most illustrious philosopher and historian of the present age." Hume had come to the conclusion that the civil magistrate who neglects to establish a religion will find he has dearly paid for his frugality, "and that in reality the most decent and advantageous composition which he can make with the spiritual guides, is to bribe their indolence by assigning stated salaries to their profession," so that ecclesiastical establishments, "though commonly they arose at first from religious views, prove in the end advantageous to the political interests of society."

But Smith, with the same dislike for "zeal," had too much respect for liberty, too much love of honesty in politics, to adopt Hume's cynical solution. He would find security in numbers. A State should extend toleration to all; society would naturally divide itself into hundreds of small sects, none of which could be considerable enough to disturb the public tranquillity. The teachers of each sect would be forced to learn a candour and moderation which is seldom to be found among an established clergy; and in this way, by mutual concessions, their doctrine would probably be reduced in time "to that pure and rational religion, free from every mixture of absurdity, imposture, or fanaticism, such as wise men have in all ages of the world wished to see established, but such as positive law has perhaps never yet established in any country." This plan of ecclesiastical government, he adds, or more properly no ecclesiastical government, was what the Independents, "a sect no doubt of very wild enthusiasts," proposed to establish in England towards the end of the Civil War. "If it had been established, though of a very unphilosophical origin, it would probably by this time have been productive of the most philosophical good temper and moderation with regard to every sort of religious principle." Such is the plan favoured by Adam Smith, and he observes that in Pennsylvania, where it had been adopted, experience justified his opinion.

Smith was so popular with his orthodox contemporaries that they tried to parry charges of infidelity by saying either that he had adopted Hume's opinions out of the intense affection he felt for him, or that he had been perverted by French atheists. "In the course of his travels," says one of the most broad-minded of his Presbyterian contemporaries (John Ramsay), "he

became acquainted with Voltaire and the other French philosophers who were then labouring with unhallowed industry in the vineyard of infidelity." What impression they made upon him, adds this cautious man, "cannot be precisely known, because neither before nor after this period was his religious creed ever properly ascertained."

Twenty years after Adam Smith's death, Archbishop Magee, in a controversy with Unitarian theologians, cited a passage from the *Moral Sentiments* on the doctrine of atonement, in which Smith had said that the doctrines of revelation coincide in every respect with the original anticipations of nature. "Such," wrote the divine, "are the reflections of a man whose powers of thinking and reasoning will surely not be pronounced inferior to those of any even of the most distinguished champions of the Unitarian school." The rejoinder was at once made that in the sixth edition, which Smith prepared for the press in 1790, the passage was omitted; whereupon the prelate (forgetting that Hume died in 1776, after four editions had appeared with this presentation of the reasonableness of an atonement) deftly turned a new moral: "It adds one proof more to the many that already existed of the danger, even to the most enlightened, from a familiar contact with infidelity."

CHAPTER IV

THE THEORY OF MORAL SENTIMENTS

In 1759, the seventh year of his professorship, Smith completed the first of his two capital achievements. His scholiasts are still curiously hazy about its early editions, partly perhaps because neither the first, second, nor third is to be found in the library of the British Museum. The first edition is a single octavo volume of 551 pages, printed in good large type.[10] The title-page runs as follows:—

THE
THEORY
OF
MORAL SENTIMENTS

BY ADAM SMITH

Professor of Moral Philosophy in the
University of Glasgow.

LONDON:
Printed for A. MILLAR, in the Strand
and A. KINCAID and J. BELL in Edinburgh.
MDCCLIX.

Andrew Millar was then at the head of the London publishers. He had shown some time before, when Hume's *History* fell into his hands, that he knew how to push a good book, and on this occasion too the firm lived up to its reputation. 47

Early in April, Hume, who was in London, received some copies, and wrote to thank Smith "for the agreeable present." Always zealous in the service of friendship and Scottish literature, he employed all the wiles of diplomacy to promote the success of the book. "Wedderburn and I," he writes, "made

presents of our copies to such of our acquaintances as we thought good judges and proper to spread the reputation of the book. I sent one to the Duke of Argyle, and Lord Lyttelton, Horace Walpole, Soame Jenyns, and Bourke, an English gentleman who wrote lately a very pretty treatise on the Sublime. Millar (the publisher) desired my permission to send one in your name to Dr. Warburton." Hume had delayed writing till he could tell how the book had been received and "could prognosticate with some probability whether it should be finally damned to oblivion, or should be registered in the Temple of Immortality." Though it has only been out for a few weeks, he thinks he can now foretell its fate. But instead of gratifying an author's impatience, Hume pretends to have been interrupted by an impertinent visitor, and digresses upon vacancies in the Scottish Universities, upon a new edition of Ferguson's *Treatise on Refinement*, on Wilkie's *Epigoniad*, and Lord Kames's *Law Tracts*. At last he seems to be coming to the point: —

"But to return to your book and its success in this town. I must tell you——

"A plague to interruptions!—I ordered myself to be denied, and yet here is one that has broken in upon me again." The second visitor was a man of letters, and Hume goes off on a new scent. He advises Smith to read Helvetius's new book *De L'Esprit*, and adds, "Voltaire has lately published a small work called *Candide ou L'Optimisme*. I shall give you a detail of it."

At last the badinage comes to an end with a warning that popularity is no test of merit. A wise man should rather be disquieted than elated by the approbation of the multitude:—

> "Supposing, therefore, that you have duly prepared yourself for the worst by all these reflections, I proceed to tell you the melancholy news that your book has been very unfortunate, for the public seem disposed to applaud it extremely. It was looked for by the foolish people with some impatience; and the mob of literati are beginning already to be very loud in its praises. Three bishops called yesterday at Millar's shop in order to buy copies, and to ask questions about the author. The Bishop of Peterborough said he had passed the evening in a company where he heard it extolled above all books in the world. The Duke of Argyle is

more decisive than he used to be in its favour. I suppose he either considers it as an exotic, or thinks the author will be very serviceable to him in the Glasgow elections. Lord Lyttelton says that Robertson and Smith and Bower are the glories of English literature. Oswald protests he does not know whether he has reaped more instruction or entertainment from it, but you may easily judge what reliance can be placed on his judgment. He has been engaged all his life in public business, and he never sees any faults in his friends. Millar exults and brags that two-thirds of the edition are already sold, and that he is now sure of success. You see what a son of the earth that is, to value books only by the profit they bring him. In that view, I believe, it may prove a very good book.

"Charles Townshend, who passes for the cleverest fellow in England, is so much taken with the performance, that he said to Oswald he would put the Duke of Buccleugh under the author's care, and would make it worth his while to accept of that charge. As soon as I heard this, I called on him twice with a view of talking with him about the matter, and of convincing him of the propriety of sending that young gentleman to Glasgow, for I could not hope that he could offer you any terms which would tempt you to renounce your professorship; but I missed him. Mr. Townshend passes for being a little uncertain in his resolutions, so perhaps you need not build much on his sally." 49

On this occasion, as will appear in a later chapter, Townshend proved true to his resolve and false to his reputation.

Burke, who afterwards became one of Smith's most intimate friends, was at this time known for his philosophical inquiry into the origin of our ideas of the Sublime and Beautiful (1757). He was also a principal contributor to the *Annual Register*; and that publication, in its admirable account of books published during the year 1759, quotes a long passage from the *Theory of Moral Sentiments*, with a prefatory tribute from Burke's pen, which might quench the thirst of the thirstiest author. Smith is praised for having struck out a new, and at the same time a perfectly natural, road of ethical speculation.

"The theory is in all its essential parts just, and founded on truth and nature. The author seeks for the foundation of the just, the fit, the proper,

> the decent, in our most common and most allowed passions; and making approbation and disapprobation the tests of virtue and vice, and shewing that those are founded on sympathy, he raises from this simple truth, one of the most beautiful fabrics of moral theory, that has perhaps ever appeared. The illustrations are numerous and happy, and shew the author to be a man of uncommon observation. His language is easy and spirited, and puts things before you in the fullest light; it is rather painting than writing."

50

"Perhaps there is no ethical work since Cicero's *Offices*," wrote Sir James Mackintosh, "of which an abridgment enables the reader so inadequately to estimate the merit, as the *Theory of Moral Sentiments*. This is not chiefly owing to the beauty of diction, as in the case of Cicero, but to the variety of explanations of life and manners which embellish the book often more than they illuminate the theory."

This criticism has been adopted by Mr. Farrer in his luminous account of Smith's moral philosophy, and its justice may be conceded. With all its faults, the *Theory of Moral Sentiments* is still one of the most instructive and entertaining of all our English treatises on ethics. There is plenty of warmth and colour. The argument is never bare; you follow its thread through a wondrous maze, till your perplexities are solved, and you finally congratulate yourself as well as the author on having rejected all the errors and collected all the wisdom of the ages. When the main theme threatens to be tedious he entertains you with an imaginary portrait, or digresses into some subsidiary discussion upon fortune, or fashion, or some other of the currents that turn men from their purpose. It has been observed that the strongest antagonists of Smith's central doctrine are enthusiastic in praising his skill in the analysis of human nature. The truth is, that the most absent-minded was also the most observant of men. He seems to have watched the actions and passions of his acquaintances with extraordinary precision. Motives interested him at least as much as conduct; he rather blames philosophers for having of late years given too much attention to the tendency of affections, and too little to the relationship in which they stand to their causes.

51

His immediate predecessors and contemporaries in the field of ethics were principally concerned with the origin and authority of right and wrong. Why does mankind generally agree as to what is right and what is wrong; whence are the notions of "ought" and "ought not" derived if not from the church or the Bible? At the time Smith wrote, English moralists were divided upon this point into two main schools. Of the first, who derived all moral rules from self-interest, Hobbes, Mandeville, and Hume were the principal exponents. The second school sought for a less variable standard, and have been called Intuitionalists, because they believed either with Clarke and Price that moral truths are perceived like axioms of Euclid, by the intellect, or with Shaftesbury and Hutcheson, that there is innate in us a moral sense or taste (developed by Bishop Butler into conscience) which prompts us to do right and tells us the difference between good and evil.

Moralists were equally divided upon the question, "In what does virtue consist?" His old teacher Hutcheson had answered that it consisted in benevolence; others thought that prudence was the true mark of the good man. In Adam Smith's view, prudence and benevolence are equally essential ingredients in the constitution of a perfectly virtuous character. With virtue he associates happiness, and his individual view of both is based partly upon the Greek philosophy of an independent leisure, partly upon the Christian conception of doing good to others; and we feel that he does not always succeed in reconciling the new ideal with the old. "Happiness," he says, "consists in tranquillity and enjoyment. Without tranquillity there can be no enjoyment." Tranquillity, he thinks, is "the natural and usual state of a man's mind." But the tranquillity to be desired was as far removed from indolence or apathy as from avarice or ambition. It was the active tranquillity of a well furnished mind and a benevolent heart.

Peace of mind, family peace, a country free from civil, religious, and foreign strife,—these he thought in their order the things most momentous to happiness. Yet he would not allow the leisurely philosopher to bask in the selfish sunshine of tranquillity. "The most sublime contemplation of the philosopher will scarce compensate the neglect of the smallest act of virtue." The study of politics tends to promote public spirit, and political disquisitions are therefore the most useful of all speculations. The trade of the vulgar politician was often ignoble and deceitful; but the best happiness

attended the patriotism and public spirit of those who sought to improve government and extend trade. The leader of a successful party may do far more for his country than the greatest general. He may re-establish and reform its constitution, and from the doubtful and ambiguous character of a party leader he may assume "the greatest and noblest of all characters, that of the reformer and legislator of a great state," who by the wisdom of his institutions secures the international tranquillity and happiness of his fellow-citizens for many succeeding generations.

For the man of system in politics Smith has no liking. Wise in his own conceit, such a man "seems to imagine that he can arrange the different members of a great society with as much ease as the hand arranges the different pieces upon a chessboard." He forgets that "in the great chessboard of human society every single piece has a principle of motion of its own, altogether different from that which the legislature might choose to impress upon it." 53

A true son of Oxford in his admiration for Aristotle, he was fond, as we have seen, of appealing to common life and popular opinion. But another of Aristotle's methods, that of the eclectic who arrives at the truth by choosing out and combining what is good in other philosophers, may almost be said to be the foundation of *The Moral Sentiments*. When, after explaining his system, he comes in his last (seventh) part to describe and criticise his predecessors, it is apparent that he considers his own theory to be an assemblage or reconciliation in one harmonious whole of all the happiest efforts of ethical speculation:—

> "If we examine the most celebrated and remarkable of the different theories which have been given concerning the nature and origin of our moral sentiments, we shall find that almost all of them coincide with some part or other of that which I have been endeavouring to give an account of; and that if everything which has already been said be fully considered, we shall be at no loss to explain what was the view or aspect of nature which led each particular author to form his particular system. From some one or other of those principles which I have been endeavouring to unfold, every system of morality that ever had any reputation in the world has, perhaps, ultimately been derived."

A good example of this eclecticism is his treatment of Mandeville, an author from whom Smith no less than Rousseau derived many fruitful ideas. In the first edition of *The Moral Sentiments* (p. 474) he writes: —

54

> "There are, however, some other systems which seem to take away altogether the distinction between vice and virtue, and of which the tendency is upon that account wholly pernicious: I mean the systems of the Duke of Rochefoucauld and Dr. Mandeville. Though the notions of both these authors are in almost every respect erroneous, there are, however, some appearances in human nature which, when viewed in a certain manner, seem at first sight to favour them. These, first slightly sketched out with the elegance and delicate precision of the Duke of Rochefoucauld, and afterwards more fully represented with the lively and humorous, though coarse and rustic, eloquence of Dr. Mandeville, have thrown upon their doctrine an air of truth and probability which is very apt to impose upon the unskilful."

Bishop Butler, more justly, classed Rochefoucauld with Hobbes. But in Smith's sixth edition (1790) the name of Rochefoucauld was omitted, at the instance of the Duke's grandson, who pointed out that the author of the Maxims is not really in the same category with Mandeville. Coarse and licentious, but entertaining and ingenious, the author of the *Fable of the Bees* hit human nature hard. He traced virtuous actions to vanity, and whittled away the distinction between vice and virtue, until he reached the paradox that private vices are public benefits. But this profligate system could never have caused so much stir and alarm in the world "had it not in some respects bordered upon the truth." We are very easily imposed upon by the most absurd travellers' tales about distant countries. But falsehoods about the parish we live in must, if they are to deceive us, bear some resemblance to the truth, nay, "must even have a considerable mixture of truth in them." A natural philosopher has an analogous advantage over the speculator in ethics. The vortices of Descartes passed for nearly a century as a most satisfactory account of the revolutions of heavenly bodies, though they neither existed nor could possibly exist, and though if they did exist they could not produce such effects as were ascribed to them. But the moral philosopher is no better off than the parish liar. He is giving

55

an account of things that are constantly before us, around us, and within us. “Though here, too, like indolent masters who put their trust in a steward that deceives them, we are very liable to be imposed upon, yet we are incapable of passing any account which does not preserve some little regard to the truth.”

In describing those systems which make virtue consist in propriety, Smith displays a profound knowledge of Plato, Aristotle, and the later schools of Greek philosophy. His admiration of Zeno and Epictetus is almost unbounded, especially when he contemplates their confident opinion that a man should always be able to support worldly misfortunes. “They endeavour to point out the comforts which a man might still enjoy when reduced to poverty, when driven into banishment, when exposed to the injustice of popular clamour, when labouring under blindness, deafness, in the extremity of old age, upon the approach of death.” He holds that the few fragments which have been preserved of this philosophy are among the most instructive remains of antiquity. “The spirit and manhood of their doctrines make a wonderful contrast with the desponding, plaintive, and whining tone of some modern systems.” Chrysippus, on the other hand, did but reduce stoicism into a scholastic or technical system of artificial definitions, divisions, and subdivisions, “one of the most effectual expedients, perhaps, for extinguishing whatever degree of good sense there may be in any moral or metaphysical system.”

Admirable as were the best stoics and epicureans and those Roman writers who, like Cicero and Seneca, direct us to the imperfect but attainable virtues, they quite misunderstood nature. “By nature, the events which immediately affect that little department in which we ourselves have some little management and direction, which immediately affect ourselves, our friends, our country, are the events which interest us the most and which chiefly excite our desires and aversions, our hopes and fears, our joys and sorrows.” Here and in similar passages he follows his favourite, Pope:—

> “God loves from whole to parts; but human soul
> Must rise from individual to the whole.
> Self-love but serves the virtuous mind to wake,
> As the small pebble stirs the peaceful lake;

The centre mov'd, a circle straight succeeds,
Another still, and still another spreads;
Friend, parent, neighbour, first it will embrace;
His country next; and next all human race."

Every moralist's, even Epictetus's, description of virtue is just as far as it goes. But Smith claims to have been the first to give any precise or distinct measure by which the fitness or propriety of affection can be ascertained and judged. Such a measure he finds in the sympathetic feelings of the impartial and well-informed spectator. Here, then, we have the central and peculiar doctrine that stamps with originality Adam Smith's *Theory of Moral Sentiments*.[11]

57

That sympathy or fellow-feeling is a primary instinct of man appears from the commonest incidents of life. Do we not shrink when a blow is aimed at another, do not the spectators wriggle as they follow a rope-dancer's contortions, are we not moved by tears, is not laughter infectious? Sympathy is agreeable. We like to give it, and we long for it. It is too instinctive to be explained (though some would do so) by a refinement of self-love. Yet it is not a mere reflection or shadow. Generally speaking, we only sympathise when our sentiments and feelings correspond with those of another. Sympathy means approval. To give it is to praise, to withhold it to blame. How, then, does Adam Smith account for the growth of moral sentiments in the man, and for the progress of morality in mankind? He holds that what we call conscience, or the sense of duty, arises from a certain reflex action of sympathy. We apply to ourselves the moral judgments we have learned to pass on others. We imagine what they will say and think about our own thoughts and words and actions. We try to look at ourselves with the impartial eyes of other people, and seek to anticipate that judgment which they are likely to pass upon us. This is the first stage. But men have very different degrees of morality and wisdom. One man's praise or blame carries infinitely more weight than another's. Thus what is called conscience, that is our idea of the impartial spectator, insensibly develops. The impartial spectator becomes more and more our ideal man, and we come to pay more homage to his still small voice than to the judgment of the world. The pangs of conscience are far more terrible than the condemnation of the market-place. Praiseworthiness comes to be

58

better than praise; blameworthiness comes to be worse than blame. The true hell is the hell within the breast; the worst tortures are those that follow the sentence of the impartial spectator. One feature in the phenomena of sympathy, which Smith points out, perhaps constitutes a weak point in his theory. The spectator's emotions are apt to fall short of the sufferer's. Compassion is never exactly the same as original sorrow.

Smith, like Kant, has his own way, and a curious one it is, of putting the rule of Christ. "As to love our neighbour as we love ourselves is the great law of Christianity, so it is the great precept of nature to love ourselves only as we love our neighbour, or what comes to the same thing, as our neighbour is capable of loving us." Our philosopher readily admits that there are passions, like love, which, "though almost unavoidable in some part of life," are not at first sight very agreeable to his theory. He says we cannot enter into the eagerness of a lover's emotions. They are always "in some measure ridiculous." "The passion appears to everybody but the man who feels it entirely disproportioned to the value of the object." Ovid's gaiety and Horace's gallantry are pleasant enough, but you grow weary of the "grave, pedantic, and long-sentenced love of Cowley and Petrarca."

Resentment provides him with a better illustration. The counterpart of gratitude, it is a very difficult passion to realise in a proper degree. "How many things," he exclaims, "are requisite to render the gratification of resentment completely agreeable and to make the spectator thoroughly sympathise with our revenge?" First, the provocation must be such that if unresented we should become contemptible and be exposed to perpetual insults. Second, smaller offences had better be neglected. Third, we should resent from a sense of propriety and of what is expected of us. Above all, we should diligently consider what would be the sentiments of the cool and impartial spectator.

Though the love of the lover has to be belittled for the purpose of this theory, friendship and all the social and benevolent affections are dear to sympathy and "please the indifferent spectator upon almost every occasion." True friendship is one of the virtues which prove the limitations of the utilitarian theory: "There is a satisfaction in the consciousness of

being beloved which to a person of delicacy and sensibility is of more importance to happiness than all the advantage which he can expect to derive from it."

As Smith goes through the list of virtues and vices his "Impartial Spectator" constantly reminds us of Aristotle's theory that every virtue is a mean between two extremes. The impartial spectator dislikes excess. The rise of the upstart, for example, is too sudden an extreme, nor does his behaviour often conciliate our affections:—

> "If the chief part of human happiness arises from the consciousness of being beloved, as I believe it does, those sudden changes of fortune seldom contribute much to happiness. He is happiest who advances more gradually to greatness, whom the public destines to every step of his preferment long before he arrives at it, in whom, upon that account, when it comes, it can excite no extravagant joy, and with regard to whom it cannot reasonably create either any jealousy in those he overtakes or any envy in those he leaves behind." 60

The Impartial Spectator is rather a fickle and illogical person; he does not like unexampled prosperity, but he is always ready to sympathise with trivial joys. "It is quite otherwise with grief. Small vexations excite no sympathy, but deep affliction calls forth the greatest." It takes a great grief to enlist our sympathy, for "it is painful to go along with grief, and we always enter it with reluctance." So when we hear a tragedy we struggle against sympathetic sorrow as long as we can, and when we finally give way, carefully conceal our tears! In a letter of July the 28th, 1759, from which we have already quoted, Hume made some objections to this part of Smith's theory:—

> "I am told that you are preparing a new edition, and propose to make some additions and alterations in order to obviate objections. I shall use the freedom to propose one; which, if it appears to be of any weight, you may have in your eye. I wish you had more particularly and fully proved that all kinds of sympathy are agreeable. This is the hinge of your system, and yet you only mention the matter cursorily on p. 20. Now it would appear that there is a disagreeable sympathy as well as an agreeable. And,

indeed, as the sympathetic passion is a reflex image of the principal, it must partake of its qualities, and be painful when that is so....

"It is always thought a difficult problem to account for the pleasure from the tears and grief and sympathy of tragedy, which would not be the case if all sympathy was agreeable. An hospital would be a more entertaining place than a ball. I am afraid that on p. 99 and 111 this proposition has escaped you, or rather is interwoven with your reasoning. In that place you say expressly, 'It is painful to go along with grief, and we always enter into it with reluctance.' It will probably be requisite for you to modify or explain this sentiment, and reconcile it to your system." 61

In the following spring (April 4th) Smith wrote from Glasgow to Strahan, Millar's young and very able partner, about the second edition, for which he had sent "a good many corrections and improvements." He asks Strahan to take care that the book is printed "pretty exactly according to the copy I delivered to you." Strahan, it seems, had offered his services as a critic, and Smith was a little afraid that he might find unauthorised alterations in the text. He will be much obliged to his publisher for suggestions, but cannot consent to surrender "the precious right of private judgment, for the sake of which your forefathers kicked out the Pope and the Pretender. I believe you to be much more infallible than the Pope, but as I am a Protestant, my conscience makes me scruple to submit to any unscriptural authority."

The second edition was issued soon afterwards. It has been erroneously described as a reprint of the first.[12]

As a matter of fact, the corrections and alterations made in it were very numerous and it was set up in much smaller type, so that the 551 pages of the first edition are compressed, in spite of some enlargements of the text, into 436 pages. What is particularly noteworthy is that the author, without altering any of the passages criticised by Hume, does make what we conceive to be a perfectly satisfactory answer in an important footnote on page 76 of the second edition after the sentence, "It is painful to go along with grief, and we always enter into it with reluctance." We give the note in full in order that the reader may judge for himself:— 62

> "It has been objected to me that as I found the sentiment of approbation, which is always agreeable, upon sympathy, it is inconsistent with my system to admit any disagreeable sympathy. I answer, that in the sentiment of approbation there are two things to be taken notice of: first, the sympathetic passion of the spectator; and secondly, the emotion which arises from his observing the perfect coincidence between this sympathetic passion in himself, and the original passion in the person principally concerned. This last emotion, in which the sentiment of approbation properly consists, is always agreeable and delightful. The other may either be agreeable or disagreeable, according to the nature of the original passion, whose features it must always, in some measure, retain. Two sounds, I suppose, may each of them, taken singly, be austere, and yet, if they are perfect concords, the perception of their harmony and coincidence may be agreeable."

Of modern philosophers, those to whom Smith is most indebted are certainly Mandeville, his old master Hutcheson, and his friend Hume, "an ingenious and agreeable philosopher who joins the greatest depth of thought to the greatest elegance of expression, and possesses the singular and happy talent of treating the abstrusest subjects not only with the most perfect perspicuity, but with the most lively eloquence." (Was it the religious prejudice against Hume that left his name unmentioned in the *Theory*?) All four were in a greater or less degree utilitarians. But Smith denies that the perception of a distinction between virtue and vice originates in the utility of the one and the disadvantageousness of the other. Hume would explain all virtues by their usefulness to oneself or society. But Smith only regards utility as a powerful additional reason for approving virtue and virtuous actions. It influences our ideas of virtue, as custom and fashion influence our ideas of beauty. Usefulness is seldom the first ground of approval, and "it seems impossible that we should have no other reason for praising a man than that for which we commend a chest of drawers." Even our approval of public spirit arises at first rather from a feeling of its magnificence and splendour than of its utility to the nation, though a sense of utility greatly strengthens our approval. Adam Smith notes, by the way, what Hume had not observed, that the fitness of a thing to produce its end is often more admired than the end itself. Most people prefer order and tidiness to the utility which they are intended to promote.

Buckle has remarked on a contrast between Smith's theory of morals and his theory of economics. In the first, sympathy is the premise, and he works out the principle of sympathy to its logical conclusions. In the *Wealth of Nations*, on the contrary, the word sympathy scarcely occurs. He assumes self-interest as the sole motive of the economic man, and works out all the consequences without troubling about that other-regarding principle which is the foundation and measure of morality, though he shows, it is true, that the motive of self-interest, if sufficiently enlightened, will result in the general good. Without denying that Buckle's contention is suggestive, we may observe that Smith distinctly refuses to confine virtue to benevolence, and parts company on this very point from "the amiable system" of Hutcheson. "Regard to our own private happiness, and interest too, appear," says he, "upon many occasions very laudable principles of action. The habits of economy, industry, discretion, attention, and application of thought are generally supposed to be cultivated from self-interested motives, and at the same time are apprehended to be very praiseworthy qualities, which deserve the esteem and approbation of everybody."[13] Benevolence may perhaps be the sole principle of action in the Deity, but an imperfect creature like man must and ought often to act from other motives.

64

To the third edition of the *Moral Sentiments* (1767) was appended an essay on the formation of Languages and the different genius of original and compounded languages. It is the fruit of his philological studies, and contains no doubt the substance of lectures that he had read in Edinburgh and Glasgow. He starts with the proposition that names of objects, that is to say, nouns substantive, must have been the first steps toward the making of a language. Two savages who had never been taught to speak would naturally begin to make their mutual wants intelligible by uttering certain sounds, as cave, tree, fountain, whenever they wanted to denote particular objects. What was at first a proper name would thus be extended to similar objects, by the same law which leads us to call a great philosopher a Newton. Similarly, "a child that is just learning to speak calls every person who comes into the house its papa or its mamma." Smith could call to mind a clown "who did not know the proper name of the river which ran by his own door." It was "*the* river." This process of generalisation explains the formation of those classes and assortments

65

called genera and species in the schools, “of which the ingenious and eloquent M. Rousseau of Geneva finds himself so much at a loss to account for the origin.”[14] In his account of the dual number, which he finds in all primitive and uncompounded languages, he says that in the rude beginnings of society, *one*, *two*, and *more*, might possibly be all the numerical distinctions which mankind would have any occasion to take notice of. But these words, though custom has rendered them familiar to us, “express perhaps the most subtle and refined abstractions which the mind of man is capable of forming.” His purpose through all this ingenious train of reasoning was to suggest a new mode of approaching a subject which, in itself so fascinating, had been reduced to a dull routine. He is very severe on the Minerva of Sanctius and on some other grammarians who, neglecting the progress of nature, had expended all their industry in drawing up a number of artificial rules so as to exclude exceptions. He sees that languages are the products not of art but of nature or circumstance. He explains how the modern dialects of Europe arose from conquest, migration, and mixture—through Lombards trying to speak Latin, or Normans trying to speak Saxon. In this way the older tongues were decomposed and simplified in their rudiments while they grew more complex in composition. The processes of linguistic development provoke a comparison of philology with mechanics:—

> “All machines are generally, when first invented, extremely complex in their principles, and there is often a particular principle of motion for every particular movement which, it is intended, they should perform. Succeeding improvers observe, that one principle may be so applied as to produce several of those movements, and thus the machine becomes gradually more and more simple, and produces its effects with fewer wheels, and fewer principles of motion. In Language, in the same manner, every case of every noun, and every tense of every verb, was originally expressed by a particular distinct word, which served for this purpose and for no other. But succeeding observation discovered that one set of words was capable of supplying the place of all that infinite number, and that four or five prepositions, and half a dozen auxiliary verbs, were capable of answering the end of all the declensions, and of all the conjugations in the antient Languages.”

The comparison, however, suggests a contrast. The simplification of machines renders them more perfect, but the simplification of languages renders them more and more imperfect, and less proper (in his opinion) for many of the purposes of expression. Thus in a decomposed and simple language, he observes, we are often restrained from disposing words and sounds in the most agreeable order. When Virgil writes

"Tityre tu patulae recubans sub tegmine fagi,"

we can easily see that *tu* refers to *recubans*, and *patulae* to *fagi*, though the related words are separated from one another by the intervention of several others. But if we translate the line literally into English, *Tityrus, thou of spreading reclining under the shade beech*, Œdipus himself could not make sense of it, because there is no difference in termination to assist us in tracking out the meaning. In the same way Milton's exquisite translation of Horace, "Who now enjoys thee, credulous all gold," etc., can only be interpreted by aid of the original. We may dissent when he goes on to denounce "the prolixness, constraint, and monotony of modern languages." Yet it would be as unfair to estimate the scientific value of these speculations by the accumulated achievements of modern philologists, as to sneer at his essay on the *Imitative Arts* or at Burke's treatise on the *Sublime and Beautiful*, because Lessing has helped inferior men to see so much further.

67

68

CHAPTER V

IN THE GLASGOW CHAIR—THE LECTURES ON JUSTICE AND POLICE

The finding of Adam Smith's lectures on Justice, Police, Revenue, and Arms, 133 years at least after their last delivery and 105 years after the author had had his own folio notes of them destroyed, is not only one of the curiosities of literature, it is also the most important aid that has been afforded to the study of Smith's economic, social, and juristic ideas since the appearance in 1793 of Dugald Stewart's biographical sketch. From 1793 to 1896, hundreds of German students big with their epoch-making theses "über Smiths Entwicklung," scores of Frenchmen eager to prove the superiority of Quesnai and Turgot, and perhaps half a dozen English critics had whetted their ingenuity on a brief account of the Glasgow lectures which was supplied to Dugald Stewart by Adam Smith's old pupil and friend, John Millar. According to Millar, Smith's course, while he occupied the chair of Moral Philosophy at Glasgow, fell into four parts, the first two of which consisted, as we have seen, of Natural Theology and Ethics. In the third part he treated at more length of that branch of morality which relates to *justice*. Here he followed the plan suggested by Montesquieu, "endeavouring to trace the gradual progress of jurisprudence, both public and private, from the rudest to the most refined ages." This important branch of his labours he also intended to give to the public, but he did not live to fulfil his intention.

In the last part of his lectures he examined those political regulations which are founded not upon *justice*, but *expediency*, and considered the political institutions relating to commerce, to finance, to ecclesiastical and military establishments. "What he delivered on these subjects contained the substance of the work he afterwards published under the title of *An Inquiry into the Nature and Causes of the Wealth of Nations*."

This was all that the world knew of Adam Smith's lectures on jurisprudence and political economy, save that at the end of his *Theory of Moral Sentiments* he promised "another discourse" dealing with the general principles of law and government, and with the different revolutions they

have undergone in the different ages and periods of society, "not only in what concerns justice, but in what concerns police, revenue, and arms, and whatever else in the subject of law." On the first section of his lectures Adam Smith never even promised a book. He had no ambition to bring the kirk about his ears. The second section took shape, as we have seen, in the *Theory of Moral Sentiments*, after the publication of which in 1759 the plan of the lectures underwent a change, the ethical part being compressed and the economical part extended. The *Wealth of Nations* covers the subject of police, revenue, and arms, and so executes the promise in part. "What remains," he wrote in 1790, "the theory of Jurisprudence, which I have long projected, I have hitherto been hindered from executing." In the lectures now discovered and published we have therefore a first draft of the *Wealth of Nations* and also a first draft of the projected work on Justice, or Jurisprudence, "a sort of theory and history of law and government," as he called it in a letter of 1785.

How, then, comes it to pass that we possess these legal and economic lectures just as Smith delivered them to his class at Glasgow, in spite of Dugald Stewart's express statement that no part of them had been preserved "excepting what he himself published in the *Theory of Moral Sentiments* and in *The Wealth of Nations*"?

When Smith left Glasgow in 1764 his fame stood high, and probably there were many note-books containing his lectures floating about in the college. A good manuscript of useful lectures would pass from one student to another and might from time to time be found on a bookstall. In the session of 1762-3, or possibly of the previous year, an intelligent and attentive student took down Smith's lectures with unusual accuracy. At least one copy was taken of it after Smith had left the University; for the manuscript so happily preserved is dated 1766, is clear, well written, and free from abbreviations, while some of the mistakes are evidently misreadings and not mishearings. That this fair copy was not made by the student who took the original notes is further shown, says the editor, "by the fact that, though the original note-taker must have been able and intelligent, the transcription is evidently the work of a person who often did not understand what he was writing."

The manuscript consists of 192 leaves octavo size, bound in calf, with the signature of "J. A. Maconochie, 1811," on the front cover. This Maconochie, or perhaps his father Allan, the first Lord Meadowbank, who was appointed professor of Public Law at Edinburgh in 1779, must have picked up the book, and it has remained in the possession of the family ever since. In 1876 Mr. Charles C. Maconochie rescued it from a garret-room, and in 1895 happened to mention it to Mr. Edwin Cannan, who thereupon undertook the task of editing it for the press—a task which he has performed to perfection. One result of this lucky discovery is to dispose of the legend that Adam Smith was little more than a borrower from the French school, a mere reflector of the Reflexions of Turgot. By examining the lectures we shall inform ourselves in the political wisdom which Adam Smith used to teach his fortunate class at Glasgow long years before he met Quesnai or Turgot, and longer still before the Reflexions began to appear in the *Éphémérides du Citoyen*.

71

"Jurisprudence" was the title Adam Smith gave to this course of lectures, and he divided it under four heads: Justice, Police, Revenue, and Arms, taken in the order named. Natural Jurisprudence, he begins, is the science that inquires into the general principles which ought to be the foundation of the laws of all nations. It is, he says elsewhere in his *Theory of Moral Sentiments*, "of all sciences by far the most important, but hitherto perhaps the least cultivated." Grotius's treatise on the Laws of War and Peace—"a sort of casuistical book for sovereigns and states"—was still, he thought, the most complete work on this subject. After Grotius came Hobbes, who, from an utter abhorrence of ecclesiasticism and bigotry, sought to establish a system of morals by which men's consciences might be subjected to the civil power. Then after a few words on Puffendorf and Cocceii, Adam Smith explained his own classification as follows:—

72

> "Jurisprudence is the theory of the general principles of law and government. The four great objects of law are justice, police, revenue, and arms.
>
> "The object of justice is the security from injury, and it is the foundation of civil government.

"The objects of police are the cheapness of commodities, public security and cleanliness, if the two last were not too minute for a lecture of this kind. Under this head we will consider the opulence of a state.

"For defraying the expenses of government, some fund must be raised. Hence the origin of revenue.... In general, whatever revenue can be raised most insensibly from the people ought to be preferred; and in the sequel it is proposed to be shown, how far the laws of Britain and of other European nations are calculated for this purpose.

"As the best police cannot give security unless the government can defend themselves from foreign attacks, the fourth thing appointed by law is for this purpose; and under this head will be shown the different species of arms, the constitution of standing armies, militias, etc.

"After these will be considered the laws of nations."

Having thus divided his whole course, Adam Smith proceeded further in an introductory lecture to subdivide his first part, Justice. The end of justice is to secure from injury; and a man may be injured as a member of a state, as a private individual (in his body, reputation, or property), or as a member of a family. Adam Smith therefore treats of justice under the three heads of Public Jurisprudence, Domestic Law, and Private Law. Many of his juristic ideas are evidently derived from Grotius, Locke, Montesquieu, Hutcheson, and Hume; but the effect produced is that of a powerful and original thinker in close touch with the best minds of his day, who draws his illustrations freely and easily alike from ancient and modern history. He finds that men were induced to enter civil society by two principles, authority and utility, that is to say, by the instinct of obedience and the instinct of self-preservation.

"In a monarchy the principle of authority prevails, and in a democracy that of utility. In Britain, which is a mixed government, the factions formed some time ago, under the names of Whig and Tory, were influenced by these principles; the former submitted to government on account of its utility and the advantages they derived from it, while the latter pretended that it was of divine institution, and to offend against it was equally criminal, as for a child to rebel against its parent. Men in

general follow these principles according to their natural dispositions. In a man of a bold, daring, and bustling turn the principle of utility is predominant, and a peaceable, easy turn of mind usually is pleased with a tame submission to superiority."

In the same chair Hutcheson had taught that society is founded on an original contract. Adam Smith discards the theory for various reasons:—

"In the first place, the doctrine of an original contract is peculiar to Great Britain, yet government takes place where it was never thought of, which is even the case with the greater part of people in this country. Ask a common porter or day-labourer why he obeys the civil magistrate, he will tell you that it is right to do so, that he sees others do it, that he would be punished if he refused to do it, or perhaps it is a sin against God not to do it. But you never hear him mention a contract as the foundation of his obedience."

Smith was as fond as his master Aristotle of testing fine-spun theories by the coarse wear of daily life. He loved to march an army of common-folk through the cobwebs of political philosophy. A second objection was that, although a government may be entrusted to certain persons on certain conditions, the contract cannot bind their posterity. "It may indeed be said that by remaining in the country you tacitly consent to the contract, and are bound by it. But how can you avoid staying in it? You were not consulted whether you should be born in it or not. And how can you get out of it? Most people know no other language nor country, are poor, and obliged to stay not far from the place where they were born, to labour for a subsistence. They cannot therefore be said to give any consent to a contract, though they may have the strongest sense of obedience." 74

In a remarkable book on *English Government* (1803), John Millar expresses his indebtedness to the "ingenious and profound author of the *Wealth of Nations*." "I am happy," he says, "to acknowledge the obligations I feel myself under to this illustrious philosopher by having at an early period of life had the benefit of hearing his lectures on the History of Civil Society, and of enjoying his unreserved conversation on the same subject."[15] And this indeed was the spacious topic which occupied most of the course on

public jurisprudence. Nations of hunters and fishers, he began, had properly no government at all. They lived according to the laws of nature. Then he came to the patriarchs of the Old Testament and of the Homeric age, 75
and compared the growth of republican government in Greece, Rome, and modern Italy. How liberty was lost is the next theme. The students were reminded of Cæsar and Cromwell, of the contrast between Western and Oriental despotisms, of the improvements in law which have often been introduced by military conquerors. They were then led to see by the history of the fall of the Roman Empire how "military monarchy came to share that fated dissolution that awaits every state and constitution." After describing the fall of the Roman Empire, Smith gave an account of the origin of the modern governments of Europe.

Smith had Burke's "salutary prejudice." Despite a private partiality for republican institutions, he saw, like Montesquieu, in our constitution "a happy mixture of all the different forms of government properly restrained, and a perfect security to liberty and property." The Commons in a great measure manage all public affairs, as no money-bill can take its rise except in that House. The judges are quite independent of the king. The Habeas Corpus Act and the methods of election are further securities of liberty. Lastly, "the law of England, always the friend of liberty, deserves praise in no instance more than in the careful provision of impartial juries."

The first division of Justice concludes with an excellent description of the struggle between the English nation and King James II., who "on account of his encroachments on the body politic was with all justice and equity in the world opposed and rejected."

In the second division of Justice, called Domestic Law, he examined 76
the legal relations that had subsisted at different times and in different countries between husband and wife, parent and child, master and servant, guardian and ward. The treatment is concise without being dry. Philosophy corrects curiosity; humanity peeps through law, and humour spices humanity. We come upon his favourite proposition that "love, which was formerly a ridiculous passion," has become "grave and respectable," the proof being that love now influences all public entertainments, whereas no ancient tragedy turned upon it. He counters Montesquieu's statement that at

Bantam, in the East Indies, there are ten women born for one man, by a broad doctrine: If the laws of nature are the same everywhere, the laws of gravity and attraction the same; why not the laws of generation? He reminds his class that slavery is still "almost universal"; for a small part of Western Europe is "the only portion of the globe that is free from it." Upon the evils of slavery he spoke as strongly as he wrote before in the *Theory of Moral Sentiments* or afterwards in the *Wealth of Nations* (Book I. chap. viii.). It is almost needless, he says, to prove that slavery is a bad institution. "A free man keeps as his own whatever is above his rent, and therefore has a motive to industry. Our colonies would be much better cultivated by free men." That slavery is a disadvantage appears, he adds, from the state of colliers and salters in Scotland. These poor wretches indeed, whom he must have seen daily in Kirkcaldy (where Pennant noticed them with indignation thirty years afterwards), had some privileges which slaves had not. Their property after maintenance was their own, and they could only be sold with their work. They were allowed to marry and to choose their religion, and their wages were half a crown a day, as compared with the sixpence or eightpence earned by the ordinary day-labourers in the neighbourhood. Nevertheless "colliers often leave our coal-works" and run away to Newcastle, preferring liberty on tenpence or a shilling a day to slavery on half a crown.

The third division (nearly fifty pages in all), on Private Law, summarises the Roman law of property, and compares the usages of Scotland and England. Smith had evidently consulted many law reports and statutes as well as some of the standard authorities in both kingdoms, such as Lord Kames's *Law Tracts*, Dalrymple's *Feudal Property*, Bacon's *New Abridgment of the Law*, and Hawkins's *Pleas of the Crown*. Smith was wonderfully free from legal obsessions. He condemned the excessive punishments of his time, and explained that they were founded not upon regard to public utility, but upon the spectator's resentment against the offender and his sympathy with the injured party. The English laws of real property he regarded as unnatural and mischievous. He had mastered the theory of entail without being fascinated by it. "Upon the whole, nothing can be more absurd than perpetual entails. Piety to the dead can only take place when their memory is fresh in the minds of men; a power to dispose of estates for ever is manifestly absurd. The earth and the fulness of it

belongs to every generation, and the preceding one can have no right to bind it up from posterity; such extension of property is quite unnatural."

A similar but less pithy condemnation appears in the *Wealth of Nations*, and was one of the passages which led Cobden to declare shortly before his death that if he were a young man he would take Adam Smith in hand, and preach free trade in land as he had formerly preached free trade in corn. 78

Having considered "man as a member of a state, as a member of a family, and as a man," Smith turned to Police, which is "the second general division of Jurisprudence." At that time the word "police" was only half-way on its voyage from Greece. It "properly signified the policy of civil government, but now it only means the regulation of the inferior parts of government, viz. cleanliness, security, and cheapness or plenty." "Cleanliness," ninety years before the first Public Health Act, was only "the proper method of carrying dirt from the street," while the term "security" exactly corresponded with police in the modern sense, being defined by Adam Smith as "the execution of justice, so far as it regards regulations for preventing crimes or the method of keeping a city guard."

But cleanliness and security, "though useful," were "too mean to be considered in a general discourse" of the kind which Adam Smith was delivering. Accordingly, after briefly comparing the amount of crime then prevalent in Paris, London, Edinburgh, and Glasgow—a comparison favourable to Glasgow and London—and inferring that the establishment of commerce and manufactures is the best police for preventing crimes, he passes to the consideration of cheapness or plenty—"or, which is the same thing, the most proper way of procuring wealth and abundance." Then follows in a hundred pages what Mr. Cannan has well called a rough draft of the *Wealth of Nations*, containing (with some noteworthy exceptions) the main arguments and many of the illustrations which appeared a dozen or more years later in the book. By the student who would trace the growth of an idea and the history of a theory the value of the report can hardly be exaggerated. In Mr. Cannan's words, "it enables us to follow the gradual construction of the work from its very foundation, and to 79

distinguish positively between what the original genius of its author created out of British materials on the one hand, and French materials on the other."

When we consider that this course of political economy was necessarily brief, and could not possibly contain all the arguments and illustrations he had already hammered out in the great workshop of his mind, we are inclined to wonder not that the lectures, when compared with the full body of doctrine, show many gaps, but rather that they correspond so closely with the final treatise evolved after twelve or fourteen years more of meditation, study, and travel. When we reach the crowning year of Adam Smith's life with its laureate wreath we shall have something to say upon later accretions, such as his colonial policy, his view of expenditure, and that intensely practical theory of taxation which taught so many wholesome lessons to contemporary and succeeding statesmen. Oddly enough, the lecturer began by supplying the very thing his critics have missed in the *Wealth of Nations*—a theory of consumption. He had therefore, if we combine the lectures with the treatise, mapped out in his mind the entire scope of economic science in its natural order. First there is the demand that leads to productive labour, the desire which is satisfied by and therefore induces toil. Then comes his central theme, the division of labour and the subsidiary topic of its distribution (almost ignored in the lectures), with an appendix on revenue or taxation.

Looking now only at the lectures, we find that of the hundred pages into which this first discourse on the *Wealth of Nations* falls, eighty, or four-fifths, are concerned with "cheapness or plenty," in other words, with "the most proper way of procuring wealth or abundance." Cheapness is synonymous with plenty, as dearness is synonymous with dearth. Water is only cheap because it is plentiful, diamonds are costly only because they are scarce. If we wish to find wherein opulence consists, we must first consider what are the natural wants of mankind which are to be supplied; "and if we differ from common opinions, we shall at least give the reasons for our nonconformity." So he sets about his task with a theory of consumption simple, intelligible, and adequate. Food, clothes, and lodgings are the threefold necessities of animal life. But most animals find these wants sufficiently provided by nature. Man alone has so delicate a constitution that no object is produced to his liking. So he improves his food by cookery,

and protects himself by fire, clothes, and huts from the inclemency of the weather.

But as man's physical delicacy requires much more provision than that of any other animal, so does the same, or rather the much greater, delicacy of his mind. Such is the nicety of his taste, that the very colour of an object hurts or pleases. He is tired by uniformity, and loves variety and change. The Indians gladly barter gems for the cheap toys of Europe. [81]
Thus besides the threefold necessities of life a multitude of wants and demands spring up to which agriculture, manufactures, arts, commerce, and navigation are subservient; while the establishment of law and government, "the highest effort of human prudence and wisdom," enables the different arts to flourish in peace and security.

Thus Smith arrives at the point from which the *Wealth of Nations* was to start. In an uncivilised nation, where labour is undivided, the natural wants of mankind are provided for. But as civilisation advances with the division of labour, the provision becomes more liberal, so that "a common day-labourer in Britain has more luxury in his way of living than an Indian sovereign." The labourer's comfort, indeed, is nothing to that of the noble. Yet a European prince does not so far exceed a commoner as the latter does the chief of a savage nation. "In a savage nation," he added, with a prophetic glance at Marx, "every one enjoys the whole fruit of his own labour." It is therefore the Division of Labour that increases the opulence of a country. This is the kernel of political economy, the inner keep round which this great architect of a new science has built a fortress strong enough to protect society and to preserve the fruit of men's toil from the well-meaning unwisdom of their governments. Not that Smith was insensible to the hardness of economic laws, to the cruel inequalities of industry:—

> "In a civilised society," he reminds his class, "though there is a division of labour, there is no equal division, for there are a good many who work none at all. The division of opulence is not according to the work. [82]
> The opulence of the merchant is greater than that of all his clerks, though he works less; and they again have six times more than an equal number of artisans who are more employed. The artisan who works at his ease within-doors has far more than the poor labourer who trudges up

and down without intermission. Thus, he who, as it were, bears the burden of society, has the fewest advantages."

Division of labour multiplies the product of labour and so creates opulence. He takes a pin manufactory as an illustration. If one man made all the parts of a pin it would take him a year, and the pin would cost at least six pounds. By dividing the process of manufacture into eighteen operations, each man employed can make 2000 pins a day. When labour is thus divided, a much larger surplus is left over and above the labourer's maintenance, and of this surplus the labourer will get a share. "The commodity becomes far cheaper and the labour dearer." The less the labour that can procure abundance, the greater the opulence of society. But coin is not a safe criterion of wages. Twopence in China will buy more than five shillings in the sugar colonies. By dividing labour you increase dexterity. A boy nailmaker will easily make 2000 good nails while a country smith unaccustomed to the job is making 400 bad ones. You also save time; for time is always lost in going from one kind of work to another. "When a person has been reading, he must rest a little while before he begin to write"; and a country weaver with a small farm will saunter as he goes from the loom to the plough. By fixing each man to an operation the product is sure to be increased. Again, the quantity of work done is much augmented by the invention of machinery. Two men and three horses can do more with a plough than twenty men with spades. The miller and his servant will do more with the water-mill than a dozen men with the hand-mill. Horse-power and water-power had been brought to the assistance of man by philosophic invention; and even fire had been called in to aid him by the mechanical and chemical discoverers. The lecturer was doubtless thinking of his colleague Joseph Black, and of James Watt, who was at this time working within the precincts of Glasgow College, and was just developing what Smith calls "the philosopher's invention of the fire machine."

Smith puts forward a queer idea—and he stood to it in the *Wealth of Nations*—that what gives occasion to the division of labour is not a perception of the advantage to be gained thereby, but a direct propensity in human nature for one man to barter with another. This love of barter is one of those natural instincts which distinguish us from animals. The division of labour and the material wealth of society are greatly perfected by

improvements of communication which extend markets; for division of labour must always be proportioned to extent of commerce. “If ten people only want a certain commodity, the manufacture of it will never be so divided as if a thousand wanted it.” But where communications are bad the cost of transit hinders the distribution of goods. If roads are “deep” or infested with robbers, the progress of commerce is stopped. “Since the mending of roads in England forty or fifty years ago, its opulence has increased extremely.” Water carriage also effectively promotes public opulence; for five or six men will convey three hundred tons by water more quickly than a hundred men with a hundred wagons and six hundred horses can take the same weight by land.[16]

A distinction is drawn between the natural and market price of commodities. A man has the natural price of his labour when he has enough to maintain him during its continuance, to defray the cost of his education, and to compensate the risk of failure or of premature death. When a man can get this natural price he will have sufficient encouragement and will produce in proportion to the demand. The market is regulated by the momentary demand for a thing, by its abundance or scarcity. When a thing is very scarce the price depends upon the fortune of the bidders. “As in an auction, if two persons have an equal fondness for a book, he whose fortune is the largest will carry it.” The conclusion drawn from these and other arguments is that whatever “police” (*i.e.* policy) tends to raise the market price above the natural, tends also to diminish public opulence. The cheaper the conveniences of life, the greater is the purchasing power of the poor and the happier will a society be. Any policy which raises and keeps the market price of goods above their natural price, and so raises the national, as it were, above the international price, diminishes the nation’s opulence. This impoverishing policy took various forms, which admitted of a triple classification:—

1. Taxes on industry and necessities.

2. Monopolies.

3. Exclusive privileges of corporations, and combinations, like those of bakers and brewers, which kept the price of bread and beer above the

natural level. 85

Further, as taxes or regulations which raise the market price above the natural price diminish public opulence, so do bounties like those upon corn and coarse linen, which depress the market price below the natural price. A bounty stimulates the production of a particular commodity, and makes it cheaper for foreigners at the expense of the public at home. Another serious objection to the system is that people are diverted from other employments, and thus "what may be called the natural balance of industry" is disturbed. "Upon the whole, therefore, it is by far the best police to leave things to their natural course and allow no bounties nor impose taxes on commodities."

In a subsequent lecture he arrived at the same conclusion by an analysis of the true nature of money. At that time money was almost universally identified with wealth. Though Hume had exposed the fallacy ten years before, his essay had not affected national policy.[17] Treaties of commerce were always based upon the theory of the balance of trade, which again rested on the notion that if a country's exports could be made to exceed its imports, it would receive the balance in gold and so become wealthy. By way of refuting this strange dogma of the mercantilists, Smith used a very felicitous illustration. He compared money to the highroads of a country "which bear neither corn nor grass themselves but circulate all the corn and grass in the country." If we could save some of the ground taken up by highways without diminishing the facilities of carriage and communication, we should add to the wealth of the country; and the case would be the same if by such a device as paper-money we could reduce the stock of coin required without impairing its efficiency as a medium of exchange. For the ground saved could be cultivated, and the money saved could be sent abroad in exchange for useful commodities. Thus the nation would be enriched; for its opulence "does not consist in the quantity of coin, but in the abundance of commodities which are necessary for life." 86

In deference to the mercantilists the government had prohibited the exportation of coin, "which prohibition has been extremely hurtful to the commerce of the country," for every unnecessary accumulation of money is a dead stock. The same idea that wealth consists in money had also led to

fiscal discrimination against France and in favour of Spain and Portugal. Why was this policy absurd? The reason, said Smith, will appear on the least reflection, and he thereupon put to the students in a few telling sentences those elementary truths about the nature of foreign trade which seem too simple even to have been discovered, yet are still sometimes but imperfectly applied by the most enlightened statesmen, and have not always been apprehended by trained economists:—

> "All commerce that is carried on betwixt any two countries must necessarily be advantageous to both. The very intention of commerce is to exchange your own commodities for others which you think will be more convenient for you. When two men trade between themselves it is undoubtedly for the advantage of both. The one has perhaps more of one species of commodities than he has occasion for, he therefore exchanges a certain quantity of it with the other, for another commodity that will be more useful to him. The other agrees to the bargain on the same account, and in this manner the mutual commerce is advantageous to both. The case is exactly the same betwixt any two nations. The goods which the English merchants want to import from France are certainly more valuable to them than what they give for them. Our very desire to purchase them shows that we have more use for them than either the money or the commodities which we give for them. It may be said, indeed, that money lasts for ever, but that claret and cambrics are soon consumed. This is true. But what is the intention of industry if it be not to produce those things which are capable of being used, and are conducive to the convenience and comfort of human life?"

In short, imports are just as advantageous as exports, and one is the necessary complement of the other. All jealousies and wars between nations are extremely bad for commerce. If preferential trade is to be established at all, it should be with France, a much richer and more populous country than Spain, and also our nearest neighbour. "It were happy both for this country and France that all national prejudices were rooted out and a free and uninterrupted commerce established." Foreign trade, if wisely and prudently carried on, can never impoverish a country.

“The poverty of a nation proceeds from much the same causes with those which render an individual poor. When a man consumes more than he gains by his industry, he must impoverish himself unless he has some other way of subsistence. In the same manner, if a nation consume more than it produces, poverty is inevitable; if its annual produce be ninety millions and its annual consumption an hundred, then it spends, eats and drinks, tears, wears, ten millions more than it produces, and its stock of opulence must gradually go to nothing.”

He proceeds to uproot that hardy perennial of fiscal culture—the opinion that no expenditure at home can be injurious to public opulence. Let us suppose, he says, that my father leaves me a thousand pounds' worth of the necessaries and conveniences of life. "I get a number of idle folks around me, and eat, drink, tear and wear till the whole is consumed. By this I not only reduce myself to want, but certainly rob the public stock of a thousand pounds, as it is spent and nothing produced for it." In the same way money spent on war is wasted wherever the war is waged and wherever the money employed in preparations is laid out. Finally, he sums up for free imports in language that could not be strengthened:— 88

> "From the above considerations it appears that Britain should by all means be made a free port, that there should be no interruptions of any kind made to foreign trade, that if it were possible to defray the expenses of government by any other method, all duties, customs, and excise should be abolished, and that free commerce and liberty of exchange should be allowed with all nations, and for all things."

Holding, then, that all taxes upon exports and imports, as well as all excise duties, [18] hinder commerce, discourage manufactures, and hamper the division of labour, Smith was inclined in his rather meagre treatment of taxation to favour direct imposts. He was not one of those who think that taxation is the royal road to prosperity, and insist that the only way to save the nation is by picking its pocket. On the contrary, believing that the best method of raising revenue is to save it, he introduced taxation as one of the causes that retard the growth of opulence. But as the thriftiest government has some expenses, and therefore some taxes, an economist was bound to weigh the merits and demerits of each. Though in comparison with the corresponding chapters in the *Wealth of Nations* his paragraphs on taxation seem raw, the doctrine is already far in advance of Hume's. He dwells on the immense advantage of the land-tax, which only cost the government about eight or ten thousand pounds to collect, over the customs and excise, which produce such immense sums, but "are almost eaten up by the legions of officers that are employed in collecting them." Another advantage of the land-tax over taxes on consumption was that it did not 89

raise prices; and it was better than a tax on capital or income ("stock or money"), in that, land being visible property, the sum required could be assessed without very arbitrary proceedings. "It is a hardship upon a man in trade to oblige him to show his books, which is the only way we can know how much he is worth. It is a breach of liberty, and may be productive of very bad consequences by ruining his credit." Yet Smith was far from being a single taxer. "If on account of this difficulty you were to tax land, and neither tax money nor stock, you would do a piece of very great injustice."

The only advantage to taxpayers of taxes on commodities is that they are paid in small sums at a time, whereas taxes on possessions are paid in large lump sums. But to the government there is the all-important fact that they are paid insensibly and are not so much murmured against. "When we 90
buy a pound of tea we do not reflect that the most part of the price is a duty paid to the government, and therefore pay it contentedly, as though it were only the natural price of the commodity. In the same manner, when an additional tax is laid upon beer, the price of it must be raised, but the mob do not directly vent their malice against the government, who are the proper objects of it, but upon the brewers, as they confound the tax price with the natural one."

In Holland the consumer first paid the price to the merchant and then (separately) the tax to the excise officer. "We in reality do the very same thing, but as we do not feel it immediately we imagine it all one price, and never reflect that we might drink port wine below sixpence a bottle were it not for the duty." His general objection to duties on imports is that they divert capital and industry into unnatural channels, while the effects of export duties are still more pernicious in confining consumption and diminishing industry. Uztariz, a well-known Spanish writer of that day, had observed in his book on commerce:—

"I have found ministers and others, both in their conversation and writings, maintain the erroneous maxim that high duties are to be laid upon commodities exported, because foreigners pay them; and, on the contrary, very moderate ones on such as are imported, because his majesty's subjects are at the charge of them."[19] This policy, says Smith, is one great 91
cause of the poverty of Spain. Yet the Spaniards were wiser than some

moderns who have sought to persuade the public that both export and import duties are paid by the foreigner.

Apart from their extraordinary power and originality as contributions to a new science, we are struck in these lectures by two qualities, freedom from prejudice, with the accompanying desire for reformation, and a tolerance of things that are tolerable. Even when he is exposing the absurdities of the Mercantile System, and the evils of the scheme of taxation which it had produced in England, he readily concedes that things might have been far worse, and is glad to confess that upon the whole "the English are the best financiers in Europe, and their taxes are levied with more propriety than those of any country whatever." Elsewhere, indeed, he shows that the fiscal system of Holland was in some important respects superior; and in the *Wealth of Nations* his language cooled:—"Our state is not perfect, but it is as good or better than that of most of our neighbours."

Yet neither tolerance, nor patriotic bias, nor the improbability of reform prevented him from criticising bad institutions. He saw how evil was the system of unpaid magistracies which Bentham burned and Gneist adored. He saw how advantageous was the famous excise scheme which ruined Walpole. He objected to large farms and entailed estates, and was not afraid to declare that a thousand acres ought to be purchased as easily as a thousand yards of cloth. He laughed at the notion, still strangely prevalent, that agriculture is injured by manufactures. "It is always a sign," he says, "that the country is improving, when men go to town. There are no parts of the country so well inhabited nor so well cultivated as those which lie in the neighbourhood of populous cities." He described how Philip IV. went to the plough himself to set the fashion, and did everything for the farmers except bringing them a good market; how he conferred the titles of nobility upon several farmers, and very absurdly endeavoured to oppress manufacturers with heavy taxes in order to force them to the country.

Smith concluded his discourse upon Cheapness or Plenty with a few remarks on the influence of commerce on manners; and having thus laid the foundations of a new science, a true system of political economy, he went on to "Arms" (Part IV.), and treated of Militias, Discipline, and Standing

Armies. His course ended with a survey (Part V.) of the Laws of Nations. The rules, he remarks, which nations ought to observe, or do observe, with one another cannot be stated with precision. It is true that the rules of property and of justice are pretty uniform in the civilised world. But with regard to international law, what Grotius had said was still true. It was hard to mention a single regulation that had been established with the common consent of all nations and was observed as such at all times. Smith, as usual, sought for the reason, and as usual found it. “This must necessarily be the case; for where there is no supreme legislative power nor judge to settle differences we may always expect uncertainty and irregularity.”

The pope, indeed, as the common father of Christendom, had introduced more humanity into warfare; but except for this hint Smith seems to have made no proposal for filling up the blank. We can only imagine how one who so loved peace and hated war would have rejoiced to see nations moving slowly but surely towards the idea of an international judge, and learning that, as the Duel is not the last word of civilisation in individual quarrels, so the Battle is not the last or the best trial of disputes between nations.

CHAPTER VI

GLASGOW AND ITS UNIVERSITY

Mr. Rae's diligent researches have disposed of the idea that Smith was one of those profound philosophers who are helpless in the practical affairs of life. It appears from the records of the Glasgow University, that during his thirteen years' residence he did more college business than any other professor. He audited accounts, inspected drains and hedges, examined encroachments on college land, and served as college quæstor, or treasurer, with the management of the library funds, for the last six years of his professorship. He was Dean of Faculty from 1760 to 1762, when he was appointed Vice-Rector. As such, in the frequent absence of the Rector, he had to preside over all University meetings, including the Rector's Court, which had judicial as well as administrative powers, and could even punish students by imprisonment in the college steeple. He went frequently to Edinburgh, and at least once to London, on college business; and altogether we may discredit the remark made by one of Smith's Edinburgh neighbours and reported by Robert Chambers: "It is strange that a man who wrote so well on exchange and barter had to get a friend to buy his horse-corn for him."

There is one picturesque incident in the history of Smith's connection with the college. The imposition of octroi duties on food coming into the city was still the principal means of raising municipal revenue in Glasgow as in most other towns of Scotland. But the students of the University were so far exempt from the tribute that they were allowed at the beginning of each session to bring in with them as much oatmeal as would keep them till the end of it. In 1757 this ancient privilege was contested, and the students were obliged by the "tackman" of the meal market to pay duty on their meal. Smith and another professor were sent to the Provost to protest against this infraction of University privileges, and to demand repayment. At the next meeting of the Senate, "Mr. Smith reported that he had spoken to the Provost of Glasgow about the ladles, exacted by the town from students, for meal brought into the town for their own use, and that the

Provost promised to cause what had been exacted to be returned, and that accordingly the money was offered by the town's ladler to the students."

The intellectual level of the professors and lecturers in the University of Glasgow was already high when Smith joined them, and the place was free from the monopolistic spirit which dulled and enervated the universities of Oxford and Cambridge. In 1752, a year after his arrival, Smith took part in founding what was called the Literary Society of Glasgow. Besides the professors a number of outsiders were admitted—David Hume, Sir John Dalrymple the historian, John Callander the antiquary, Robert Foulis the famous printer, and others. In one of the first papers read to this society (January 1753) Adam Smith reviewed Hume's *Essays on Commerce*. 96
He had no doubt read the essays in proof, as there is a letter from Hume in the previous September, asking him for criticisms towards a new edition he was then preparing of his *Essays, Moral and Political*, in which these new Commercial Essays were to be incorporated.

Another and more convivial club was presided over by Simson, the professor of Mathematics, whose genius and amiability had impressed Adam Smith from his student days. When Simson died in 1768 he had spent half a century in the college. He divided each day with precision between work, sleep, refection in the tavern at the gate, and a measured walk in the gardens. Every Friday evening his club supped in the tavern, and every Saturday the members walked out a mile to the neighbouring village of Anderston, and there feasted on the customary one-course dinner of chicken broth, with a tankard of claret followed by whist and punch. Ramsay of Ochtertyre says that Smith was a bad partner. If an idea came to him in the middle of the game he would renounce or neglect to call. After cards they would talk, or Simson, who was the soul of gaiety, would sing Greek odes to modern airs. A more distinguished circle than this of plain livers and high thinkers could hardly have been found in Europe. Besides the editor of Euclid it included the founders of political economy and modern chemistry, and the inventor of the steam engine. For Joseph Black and his young assistant, James Watt, sat round the same fireside with Simson and Adam Smith. To the conversation of the club, said Watt, "my mind owed its first bias towards such subjects [literature, philosophy, etc.], in which they were all my superiors, I never having attended college, and being then but a 97

mechanic." In 1756 young Watt had come from London to Glasgow, and being refused permission by the close corporation of hammermen to set up as a mechanic in the town, he was welcomed by the professors, who appointed him maker of mathematical instruments to the University, and gave him a workshop and saleroom within its precincts. It is easy to imagine the delight with which Smith joined in rescuing Watt from the tyranny of a close corporation. The workshop was one of his favourite resorts, and the two became fast friends. More than half a century afterwards, one of the first works which the "young" artist of eighty-three executed with his newly invented "sculpture machine" was a bust of Smith in ivory.

In another part of the college space had been found for Robert Foulis's printing-office. Encouraged by Hutcheson, Foulis had begun his business in Glasgow just before Smith left for Oxford. His "immaculate" Horace, the famous duodecimo, appeared in 1744, the proof-sheets having been hung up in the college and a reward offered for the detection of any inaccuracy. Adam Smith was a subscriber for two sets of Hutcheson's *System of Moral Philosophy*, two beautifully printed quarto volumes issued by the Foulis press in 1755. The type used by the press came from Alexander Wilson's typefoundry at Camlachie. But in 1760 the college built an observatory, and with the aid of the Crown founded a new chair of Astronomy. Thereupon Wilson, being appointed to the chair, asked to be allowed to transfer his foundry to the college, and the authorities, on the motion of Adam Smith, resolved to build a foundry in the grounds. Thus during Smith's residence there were set up within the precincts of the University Watt's workshop, Foulis's printing-press, Wilson's observatory and foundry, and last but not least, Cullen's laboratory, where Black his assistant discovered the existence of latent heat.

The professors even started a series of lectures on natural science to a class of working men. In 1761 Smith and others sought to establish a school for dancing, fencing, and riding. But this project failed; and in the following year Smith is found as an active opponent of a proposal started in the town for the erection of a permanent theatre. He presides at a meeting which resolves that the University should join forces with the magistracy against this innovation. Shortly after his departure the opposition dropped and the

theatre was built. But it was burned down by a mob of zealots, and in the *Wealth of Nations* Smith not only lashes those "fanatical promoters of popular frenzies," who have always made the theatre an object of their peculiar abhorrence, but demands that the State should give "entire liberty to all those who for their own interest would attempt, without scandal or indecency, to amuse and divert the people by painting, poetry, music, dancing, by all sorts of dramatic representations and exhibitions." Such public diversions would easily dissipate "that melancholy and gloomy humour which is almost always the nurse of popular superstition and enthusiasm," and would, with the aid of science and philosophy, correct whatever was unsocial or disagreeably rigorous in the morals of the country. By then he had learned to admire the French theatre as well as the French dramatists. A true liberal, he was always open to new ideas, and this last stump of Scottish prejudice was rooted out by his continental tour.

In the fifties Smith and Black helped Foulis to start an institution called the Academy of Design, said to have been the first of its kind in Great Britain. The authorities of the University found rooms for the purpose in the college, and they may therefore claim to have been the fathers, not only of the University extension movement, but also of technical instruction. Painting, sculpture, and engraving were the principal arts taught in this Academy. Tassie and David Allan were among the students; and Lord Buchan, who boasted of walking "after the manner of the ancients in the porticoes of Glasgow with Smith and with Millar," learned to etch in Foulis's studio. A shop was started in Edinburgh for the sale of works of art produced in the Academy, and Sir John Dalrymple, writing to Foulis in 1757, begs him to take the advice of Mr. Smith and Dr. Black, who are the best judges of what will sell. He also advises Foulis to have a circular drafted showing the advantages of the Academy. "Mr. Smith is too busy or too indolent, but I flatter myself Dr. Black will be happy to make out this memorial for you." He invites Foulis and Smith to visit him in the Christmas vacance.

There is no doubt, from the amount of business they laid on his shoulders, and their choice of him as "Præses" in 1762, that Smith's colleagues had a high opinion of his practical abilities. His public spirit and loyalty to the

University were unbounded. The warmest and most generous of friends, he was also one of those rare spirits, especially rare in the reign of George the Third, who never let private interests turn the scale against the common good. He made three protests against a professor exercising the legal right of voting for himself in an election to an office of profit. When Rouet, the professor of History, asked for leave of absence, so that he might travel abroad as Lord Hope's tutor without relinquishing his professorship, Smith voted with a majority for refusing the leave, and on a later occasion for depriving him of office. This led to a quarrel with the Lord Rector, but the pressure of college opinion eventually forced Rouet to resign. We shall see that Smith on a similar occasion was careful to practise as he had preached.

100

From this reformed and progressive University the economist often issued forth to breathe the eager air of a thriving mart. The town was remarkably free from poverty and crime. In his lectures he said that in Glasgow there was less crime than in Edinburgh, because it had more commerce and independence, fewer servants and retainers. When he first went to Glasgow as a student it was still poor; when he returned as a professor, its commercial prosperity had fairly begun. Its loyalty to the Hanoverian dynasty had cost it heavily in 1745, but that loyalty is intelligible enough; for the Act of Union which deprived Edinburgh of its Parliament, and of much of its resident aristocracy, opened up the colonial markets to Glasgow, and enabled its enterprising merchants to participate in the profitable monopoly of the American trade. By the middle of the century it was already the emporium for colonial tobacco. A tannery employed several hundred men; linen, copper, tin, and pottery became staple manufactures in the forties; carpets, crape, and silk in the fifties. Gibson, in his history of the town, tells us that after 1750 (when the first Glasgow Bank was opened) "not a beggar was to be seen in the streets." When he adds that "the very children were busy," we think of the early history of factories and shudder. "I have heard it asserted," says Smith in the *Wealth of Nations* (Book II. chap. ii.), "that the trade of the city of Glasgow doubled in about fifteen years after the first erection of the banks there, and that the trade of Scotland has more than quadrupled since the first erection of the two public banks at Edinburgh." He will not vouch for the figures, and holds such an effect "too great to be accounted for by the sole operation of this cause," but

101

says it cannot be doubted that the trade of Scotland did increase very considerably during the period, and that the banks contributed a good deal to this increase.

All these external marks of enterprise and progress indicated the truth of another of Smith's sayings, that a few spirited merchants are a much better thing for a town than the residence of a court. According to Sir John Dalrymple, the three leading merchants of that time were together worth a quarter of a million of money. Measured by modern standards these are petty figures; but Mr. Rae says that commercial men in Glasgow still look back to John Glassford and Andrew Cochrane as perhaps the greatest merchants the Clyde had ever seen. Cochrane, who was Provost when the Young Pretender paid his unwelcome visit, founded a weekly club, the express design of which, according to Dr. Carlyle, was to inquire into the nature and principles of trade. Smith, who joined the club, became intimate with Cochrane, and afterwards, in Dr. Carlyle's words, "acknowledged his obligations to this gentleman's information when he was collecting materials for his *Wealth of Nations*." The junior merchants, adds the Doctor, who flourished after Cochrane, "confess with respectful remembrance that it was Andrew Cochrane who first opened and enlarged their views." In *Humphrey Clinker* he is described as "one of the first sages of the Scottish Kingdom."

Dugald Stewart, who drew his information from James Ritchie, an eminent merchant of Glasgow, tells us that Smith's intimacy with its most respected inhabitants gave him the commercial information he needed; and he adds: "It is a circumstance no less honourable to their liberality than to his talents, that notwithstanding the reluctance so common among men of business to listen to the conclusions of mere speculation and the direct opposition of his leading principles to all the old maxims of trade, he was able before he quitted his situation in the University to rank some very eminent merchants in the number of his proselytes." That Provost Cochrane and his brethren were well inclined to these doctrines is probable, as they suffered severely from the duties on American iron; and that interest in economic subjects was strong is proved by the printing of several important books at Glasgow about this time.

The merchants were, however, much under the influence of an economist of the old school, Sir James Steuart, who lived in the neighbourhood, and the progress of Smith's opinions was more rapid in the University. It was the students, as Dugald Stewart tells us, "that first adopted his system with eagerness and diffused a knowledge of its fundamental principles over this part of the kingdom." 103

During these thirteen years at Glasgow Smith kept up his connection with Edinburgh by pretty constant visits. Shorn of royalty by the union of crowns, and of its parliament by the union of parliaments, Edinburgh was slowly recovering in trade what it had lost in political significance. It had kept its Courts of Justice, and its boards of customs and excise. Above all, it was the centre of an intellectual activity which gave Scotland for the first time a name and a fame in European philosophy and letters.

The social and intellectual leader of the new movement was Smith's early friend and benefactor, Henry Home, who was raised to the bench as Lord Kames in 1752, a man of very liberal and progressive ideas, full of patriotic schemes for the improvement of Scottish art, manufactures, and agriculture. His writings, though highly praised for their learning, have long been forgotten, for sufficient reason. "I am afraid of Kames's *Law Tracts*," Hume once wrote to Smith. "The man might as well think of making a fine sauce by a mixture of wormwood and aloes as an agreeable combination by joining metaphysics and Scottish Law." Robertson, already a prominent preacher and ecclesiastical politician, was feeling his way towards Edinburgh and literary fame. John Home, a brother minister, was composing the *Tragedy of Douglas*, counted by Hume, so he told Smith in 1756, "the best, and by French critics the only tragedy in our language." Another member of this circle, quite a fashionable oddity, who ploughed his own glebe like a peasant, and startled a passer-by with apt quotations from Theocritus, was Wilkie, the author of the *Epigoniad*, a particular friend and admirer of our philosopher. Then there were the two Dalrymples, both historians, and the gossipy autobiographer, Dr. Carlyle. Three politicians of distinction often adorned Edinburgh society at this time: brilliant Charles Townshend, who was to make a revolution in Smith's life, James Oswald, his old friend and neighbour, and William Johnstone (Sir William Pulteney). Among the relics of Smith's correspondence is an 104

introductory letter, dated January 19, 1752, to Oswald, then at the Board of Trade, which "will be delivered to you by Mr. William Johnstone, son of Sir James Johnstone of Westerhall, a young gentleman whom I have known intimately these four years, and of whose discretion, good temper, sincerity, and honour, I have had during all that time frequent proof." The young gentleman was to give a further signal proof of his discretion by bestowing his affections on a Pulteney, whose vast fortune doubtless consoled him for the surrender of his name. The letter continues:—

> "You will find in him too, if you come to know him better, some qualities which from real and unaffected modesty he does not at first discover; a refinement and depth of observation and an accuracy of judgment, joined to a natural delicacy of sentiment, as much improved as study and the narrow sphere of acquaintance this country affords can improve it. He had, first when I knew him, a good deal of vivacity and humour, but he has studied them away. He is an advocate; and though I am sensible of the folly of prophesying with regard to the future fortune of so young a man, yet I could almost venture to foretell that if he lives he will be eminent in that profession. He has, I think, every quality that ought to forward, and not one that should obstruct his progress, modesty and sincerity excepted, and these, it is to be hoped, experience and a better sense of things may in part cure him of. I do not, I assure you, exaggerate knowingly, but could pawn my honour upon the truth of every article."

A cluster of these and many other stars formed, in 1754, a constellation known as the Select Society, an institution, as we learn from Dugald Stewart's life of Robertson, "intended partly for philosophical inquiry, and partly for the improvement of the members in public speaking." It was projected, he says, by Mr. Allan Ramsay, the painter, and a few of his friends—Dr. Robertson, Mr. David Hume, Mr. Adam Smith, Mr. Wedderburn (afterwards Lord Chancellor), Lord Kames, Mr. John Home, Dr. Carlyle, and Sir Gilbert Elliot. Hailes, Monboddo, and Dalrymple were also members. In the Select Society, writes Stewart, "the most splendid talents that have ever adorned this country were roused to their best exertions by the liberal and ennobling discussions of literature and philosophy."

When the projectors met in May 1754, Smith, who had come from Glasgow, was required to explain the proposals. At the second meeting, as appears from the minutes now preserved in the Advocates' Library at Edinburgh, he was "Præses," and gave out as subjects for the next debate (1) whether a general naturalisation of Foreign Protestantism would be advantageous to Britain; and (2) whether bounties on the exportation of corn would be advantageous to manufactures as well as to agriculture.

Many economic questions such as pauperism, slavery, hiring, banking, export bounties on linen, rent, leases, highways, the relative advantages of large and small farms, were discussed by a society which, in 106
Stewart's words, contributed so much to the fame and improvement of Scotland. A year after its foundation Hume wrote to Allan Ramsay that it had grown to be a national concern. "Young and old, noble and ignoble, witty and dull, laity and clergy, all the world are ambitious of a place amongst us, and on each occasion we are as much solicited by candidates as if we were to choose a member of Parliament." The society did more than debate. Adam Smith and eight others were appointed managers to carry out a scheme for the promotion of Scottish arts, sciences, manufactures, and agriculture. Executive committees were formed. Contributions poured in; and prizes and premiums large in those days were offered and awarded for every subject under the sun. From the researches of Mr. Rae we learn, for example, that twenty-six prizes were offered in the first year (1755), including three gold medals for the best discovery in science, the best essay on taste, and the best on vegetation. Six silver medals were given, including one for the best and most correctly printed book, another for the best imitation of English blankets, and a third for the best hogshead of strong ale. Four years later the number of prizes given had increased to 142, and they included one for the person who cured most smoky chimneys.

The society sank as suddenly as it rose. After only a decade of brilliant usefulness, the meteor fell, and expired, it is said, in a flash of Townshend's wit. "Why," he asked, after listening to a debate rich in eloquence, but unintelligible to a southern ear, "why can you not learn to speak the English language as you have already learned to write it?" So the society 107
died, and Thomas Sheridan, father of the statesman, came to

Edinburgh with a course of lectures on English elocution, which he delivered to about three hundred eminent gentlemen in Carrubber's Close.

Upon the ashes of this famous society arose an equally patriotic but perhaps less beneficent organisation. The Poker Club, as its name indicated, was intended to be an instrument for stirring opinion. The cause to be agitated was the establishment of a Scotch Militia on national lines, to be followed, as some of its radical members hoped, by a parliamentary reform which would "let the industrious farmer and manufacturer share at last in a privilege now engrossed by the great lord, the drunken laird, and the drunkener bailie."

Adam Smith was one of the original members of the Poker Club, which gathered in most of the Select Society; but before 1776 he had changed his opinions, for, in the *Wealth of Nations*, he comes to the conclusion that "it is only by means of a well regulated standing army that a civilised country can be defended." If it relied for its defence on a militia, it would be exposed to conquest. The militia movement is mentioned by Smith in a letter to Strahan (April 4, 1760), in the course of some reflections suggested by the Memoirs of Colonel Hooke. The passage is interesting as a Scotch Whig's explanation and defence of the disaffection which prevailed north of the Tweed in the early part of the eighteenth century:—

> "*Apropos* to the Pope and the Pretender, have you read Hook's Memoirs? I have been ill these ten days, otherwise I should have written to you sooner, but I sat up the day before yesterday in my bed and read them thro' with infinite satisfaction, tho' they are by no means well written. The substance of what is in them I knew before, tho' not in such detail. I am afraid they are published at an unlucky time, and may throw a damp upon our militia. Nothing, however, appears to me more excusable than the disaffection of Scotland at that time. The Union was a measure from which infinite good has been derived to this country. The Prospect of that good, however, must then have appeared very remote and very uncertain. The immediate effect of it was to hurt the interest of every single order of men in the country. The dignity of the nobility was undone by it. The greater part of the gentry who had been accustomed to represent their own country in its own Parliament were cut out for ever

> from all hopes of representing it in a British Parliament. Even the merchants seemed to suffer at first. The trade to the Plantations was, indeed, opened to them. But that was a trade which they knew nothing about; the trade they were acquainted with, that to France, Holland, and the Baltic, was laid under new embar[r]assments, which almost totally annihilated the two first and most important branches of it. The Clergy, too, who were then far from insignificant, were alarmed about the Church. No wonder if at that time all orders of men conspired in cursing a measure hurtful to their immediate interest. The views of their Posterity are now very different; but those views could be seen by but few of our forefathers, by those few in but a confused and imperfect manner."

In the same letter he asks to be remembered to Benjamin Franklin (who had lately visited Glasgow), and also to Griffiths, the editor of the *Monthly Review*, which had just paid a handsome tribute to the *Theory*.

In the notes of lectures, given as we have seen about the time when the Poker Club was established, Smith admitted the necessity of a standing army, but seems to have thought that its abuse should be guarded against by a militia. The Poker Club proved little more than a convivial society, and felt the scarcity and dearness of claret more than the want of a national army. Lord Campbell says that when the duty on French wine was raised to pay for the American War, they "agreed to dissolve the 'Poker,' and to form another society which should exist without consumption of any excisable commodity." When the duties were again reduced by Pitt's French Treaty in 1786, a Younger Poker Club arose, but Pitt's master, who had contributed so substantially to this revival of patriotism, was too old or too indifferent to become a member.

In one other important Edinburgh project the Glasgow professor played a prominent part. In 1755 an *Edinburgh Review* was started to supply the rising authors of North Britain with the stimulus of sympathetic criticism. Wedderburn, then a young advocate, was chosen editor; Robertson and Smith were contributors in chief. But only two numbers appeared of this precursor in name and in intention of the most famous and successful review ever launched in our islands. Smith's two articles are of considerable, although of unequal, interest. The first and less important is a

review of Dr. Johnson's *Dictionary*. "When we compare this book with other dictionaries," writes the critic, "the merit of its author appears very extraordinary." In previous English dictionaries the chief purpose had been to explain hard words and terms of art; "Mr. Johnson has extended his views much further, and has made a very full collection of all the different meanings of each English word, justified by examples from authors of good reputation." The defects of the work consisted chiefly in the plan, which was not sufficiently grammatical. To show what he meant he took Johnson's articles on *but* and *humour*, appending more philosophical and lucid articles of his own. Johnson seems to have taken no notice of these criticisms in later editions of the dictionary. We may observe in passing that Smith's *but* is better than his *humour*. He seems singularly mistaken when he observes that "a man of wit is as much above a man of humour as a gentleman is above a buffoon." In Scotland, he thinks, the usefulness of the *Dictionary* will soon be felt, "as there is no standard of correct language in conversation."

110

A far more remarkable contribution is a letter to the editors, which appeared in the second number. It is a protest against the reviewers confining themselves to accounts of books published in Scotland, a country "which is but just beginning to attempt figuring in the learned world." He proposes therefore that they should enlarge their scope, and observe with regard to Europe the same plan that was being followed with regard to England, that is to say, examine all books of permanent value while contriving to take notice "of every Scotch production that is tolerably decent." Smith illustrated his plea by a very luminous and masterly survey of French literature, and a comparison of the French, German, and Italian genius with the English.

The review was intended to appear every six months, but it never reached a third number, either because it was not well received by the public, or because a formidable theologian spied heresy lurking in its pages.

It was at this time that the General Assembly was proposing to pass a censure on Hume's *Enquiry concerning the Principles of Morals*, and to excommunicate the author. Hume wrote to Allan Ramsay in Rome: "You may tell that reverend gentleman the Pope, that there are men

111

here who rail at him, and yet would be much greater persecutors had they equal power. The last Assembly sat on me. They did not propose to burn me, because they cannot, but they intended to give me over to Satan. My friends prevailed, and my damnation has accordingly been postponed a twelve-month, but next Assembly will surely be upon me." Lord Kames was also attacked; but Smith seems to have escaped, though his turn was to come later.

The pupil of Hutcheson was also in many ways the philosophical disciple and ally of Hume. Their intercourse during all these years was close and constant. They paid mutual visits, and interchanged many letters, too few of which have been preserved. Hume had been abroad, or at Ninewells, during most of Smith's stay in Edinburgh, and had only just made Edinburgh his home when Smith obtained the professorship at Glasgow; but, as Mr. Rae notes, before a year was out, Smith's "dear sir" had ripened into "my dearest friend," and on these terms the two philosophers remained until death parted them.

We have seen how in the spring of 1759 Charles Townshend was much taken with the *Theory of Moral Sentiments*, and told Oswald he would put his young ward the Duke of Buccleuch under the author's care. Hume did not at first believe that Townshend would persevere, or if he did, that he would offer such terms as would tempt Smith from Glasgow. But on this occasion he was in earnest and never relinquished the idea, anxious, it is said, to connect the fleeting fame of a parliamentarian with the lasting renown of a philosopher. Townshend had married the widowed Countess of Dalkeith. Her eldest son, the Duke of Buccleuch, was then a boy at Eton, under Hallam, father of the historian. The time when his stepson would leave school was still distant, but Townshend had made up his mind to send the boy abroad. In England it was becoming more and more the fashion for the sons of the nobility to travel abroad when they left school, instead of going to one of the universities. It was thought that they returned home much improved by their travels, and with some knowledge of one or two living languages, whereas if they went to Oxford or Cambridge they would learn nothing but idleness and dissipation. Adam Smith himself afterwards came to the conclusion that foreign travel was no substitute for a sound university training. The schoolboy, he wrote after his

continental tour, "commonly returns home more conceited, more unprincipled, more dissipated, and more incapable of any serious application either to study or business, than he could well have become in so short a time had he lived at home.... Nothing but the discredit into which the universities had fallen could ever have brought into repute so very absurd a practice."[20]

In the summer of 1759 Townshend went to see Smith at Glasgow, and apparently prevailed, for in the following September Smith wrote to him about some books which he had been getting for Buccleuch, as if he were already in the position of an educational adviser to the boy. As might have been expected of one whom Burke immortalised as "the delight and ornament of the House, and the charm of every private society which he honoured with his presence," Townshend captivated Glasgow. "Everybody here remembers you with the greatest admiration and affection." 113

Smith was doubtless informed from time to time of the boy's progress, but we hear no more of the subject for four years. In the early part of 1763 he invited Hume to pay a visit to Glasgow. Hume was then in Edinburgh; he had just brought out two volumes of his *History*, and was drinking the nectar of general applause. At the end of March he replied with a bantering reference, perhaps, to his friend's economic studies: "I set up a chaise in May next, which will give me the liberty of travelling about, and you may be sure a journey to Glasgow will be one of the first I shall undertake. I intend to require with great strictness an account how you have been employing your leisure, and I desire you to be ready for that purpose. Woe be to you if the Balance be against you. Your friends here will also expect that I should bring you with me. It seems to me very long since I saw you." But in the summer Lord Hertford was appointed Ambassador to the Court of France, and Hume accepted the post of Secretary to the British Embassy at Paris, "with great prospects and expectations." He told his friend not to expect him back for some time; "but we may meet abroad." And so they did; for, a couple of months later, Smith received the following letter:—

> "Dear Sir,—The time now drawing near when the Duke of Buccleugh intends to go abroad, I take the liberty of renewing the subject to you:

that if you should still have the same disposition to travel with him I may have the satisfaction of informing Lady Dalkeith and his Grace of it, and of congratulating them upon an event which I know that they, as well as myself, have so much at heart. The Duke is now at Eton; he will remain there till Christmas. He will then spend some short time in London, that he may be presented at Court, and not pass instantaneously from school to a foreign country, but it were to be wished he should not be long in Town, exposed to the habits and companions of London, before his mind has been more formed and better guarded by education and experience.

"I do not enter at this moment upon the subject of establishment, because, if you have no objection to the situation, I know we cannot differ about the terms. On the contrary, you will find me more solicitous than yourself to make the connection with Buccleugh as satisfactory and advantageous to you as I am persuaded it will be essentially beneficial to him.

"The Duke ... has sufficient talents; a very manly temper, and an integrity of heart and reverence for truth, which in a person of his rank and fortune are the firmest foundations of weight in life and uniform greatness. If it should be agreeable to you to finish his education and mould these excellent materials into a settled character, I make no doubt that he will return to his family and country the very man our fondest hopes have fancied him.

"I go to Town next Friday, and should be obliged to you for your answer to this letter.—I am, with sincere affection and esteem, dear sir your most faithful and most obedient humble servant,

C. Townshend.

Adderbury, *25th October 1763*."

The offer was accepted, and an arrangement concluded, in a pecuniary point of view certainly "satisfactory and advantageous." Smith was to have a salary of £300 a year with travelling expenses, and a pension of £300 a year for life. He was thus to enjoy, as Mr. Rae says, twice his Glasgow income,

and to have it assured till death. Altogether, Smith drew more than £8000 from his three years' tutorship. On November 8th, "Dr. Smith represented," so runs the record of the Faculty, "that some interesting business would probably require his leaving the College some time this winter", and he was thereupon granted leave of absence for three months. 115

For some time, however, Smith heard nothing more. In the middle of December, when he wrote to tell Hume of Townshend's letter, he was still in uncertainty. But a few days afterwards it was arranged that they should start early in the new year, and on January the 9th Smith told the Faculty that he should make use of his leave of absence, that he should pay his deputy his half-year's salary commencing from October the 10th, and that he had returned all his students' fees. This last act of liberality he was only able to carry out by a display of violence at the end of his last lecture. The scene has luckily been reproduced with unusual animation by the pen of Tytler, Lord Kames's pedestrian biographer. After concluding his last lecture, and describing the arrangements he had made for them, "he drew from his pocket the several fees of the students, wrapped up in separate paper parcels, and beginning to call up each man by his name, he delivered to the first who was called the money into his hand. The young man peremptorily refused to accept it, declaring that the instruction and pleasure he had already received was much more than he either had repaid or ever could compensate; and a general cry was heard from every one in the room to the same effect. But Mr. Smith was not to be bent from his purpose. After warmly expressing his feelings of gratitude and the strong sense he had of the regard shown to him by his young friends, he told them this was a matter betwixt him and his own mind, and that he could not rest satisfied unless he performed what he deemed right and proper. 'You must not refuse me this satisfaction; nay, by heavens, gentlemen, you shall not'; and seizing by the coat the young man who stood next to him, he thrust the money into his pocket and then pushed him from him. The rest saw it was in vain to contest the matter, and were obliged to let him take his own way."[21] 116

Scotch professors at that time often continued to hold their chairs during a temporary appointment like a travelling tutorship, and paid their salaries to a substitute until they returned. But Smith was no friend of absenteeism.

The interest of the College was his chief anxiety, and accordingly in the following month he sent his formal letter of resignation to the Lord Rector, immediately on his arrival in Paris. “I never was,” he writes, “more anxious for the good of the College than at this moment; and I sincerely wish that whoever is my successor may not only do credit to the office by his abilities, but be a comfort to the very excellent men with whom he is likely to spend his life, by the probity of his heart and the goodness of his temper.” (February 14, 1764.)

In accepting his resignation the Senate added a few words which may fittingly conclude our account of what Smith always regarded as the most fruitful and honourable period of his life:—“The University cannot help at the same time expressing their sincere regret at the removal of Dr. Smith, whose distinguished probity and amiable qualities procured him the esteem and affection of his colleagues; whose uncommon genius, great abilities, and extensive learning did so much honour to this society; his elegant and ingenious *Theory of Moral Sentiments* having recommended him to the esteem of men of taste and literature throughout Europe. His happy talents in illustrating abstracted subjects, and faithful assiduity in communicating useful knowledge, distinguished him as a professor, and at once afforded the greatest pleasure and the most important instruction to the youth under his care.”

CHAPTER VII

THE TOUR IN FRANCE, 1764-66

"Everything I see appears the throwing broadcast of the seed of a revolution," wrote Voltaire to Chauvelin, a few weeks after Smith landed in France. While the poor grew poorer, administration worse, taxes more oppressive, that thick cloud of conventional darkness which had so long shrouded misgovernment was dispersing, irradiated by the fierce glare of an intellectual illumination such as the world had never seen before. Already the mind of France was undimmed. Voltaire's search-light had shown the nakedness of Church and State. Diderot's great lamp was fixed; Rousseau waved his fiery torch, beaconing oppressed civilisation back to the freedom of its cradle. Quesnai was at his patient calculations in the Royal Palace. The great *Encyclopædia* itself was on the eve of completion.

This gigantic work—in thirty-five folio volumes, of which the first appeared in 1751—was doubly English; for it was inspired by Lord Bacon's plan for a universal dictionary of sciences and arts, and it began as a mere translation of the Cyclopædia which Ephraim Chambers had published in 1727.

One of the first of our writers to study, perhaps the first to weigh and measure the importance of the *Encyclopædia*, was Adam Smith. He seems to have read it from the outset. In his letter to the *Edinburgh Review* 119
he called it the most complete work of the kind ever attempted in any language. He there noticed that D'Alembert's preliminary discourse upon the genealogy and filiation of arts and sciences was nearly the same as that of Lord Bacon, that the separate articles were not dry abstracts of what is commonly known by a superficial student, but "a compleat, reasoned, and even critical examination of each subject." Its pages bore testimony to the triumphant progress of English philosophy and science in France. The ideas of Bacon, Boyle, and Newton were explained with that order, perspicuity, and judgment which distinguished all the eminent writers of France. "As since the Union we are apt to regard ourselves in some measure as the countrymen of those great men, it flattered my vanity as a Briton to observe

the superiority of the English philosophy thus acknowledged by their rival nation." It seems, Smith added, "to be the peculiar talent of the French nation to arrange every subject in that natural and simple order which carries the attention without any effort along with it."

Smith was himself by nature and habit an Encyclopædist, not inferior even to Diderot in his grasp of the whole field of science. Wanting the laborious industry of the compiler, he was the equal perhaps of his French contemporaries in the power of correlating knowledge and combining truth. But he yielded to none in admiration of the *Encyclopædia*, and commended it to English readers by translating the magnificent eulogy bestowed on it by Voltaire in the conclusion of his account of the artists who lived in the time of Louis the Fourteenth:—

"The last age has put the present in a condition to assemble into one body and to transmit to posterity, to be by them delivered down to remoter ages, the sacred repository of all the arts and all the sciences, all of them pushed as far as human industry can go. This is what a society of learned men, fraught with genius and knowledge, are now labouring upon, an immense and immortal work which accuses the shortness of human life." 120

The Encyclopædists' doctrine of the perfectibility of man was the rational basis of Smith's incurable optimism, but he did not share the opinion of the French School that an absolute monarchy is the most hopeful if not the only vehicle of human progress. Quesnai and his disciples never dreamed that people could govern themselves; they conjured up an ideal monarch who would let his people live in a state of natural liberty. Adam Smith had faith in men as well as in philosophy, and therefore his politics were not for his own age only but for the time to come. A Whig in practice and a Republican in theory, he was not likely to sympathise with the idea that natural liberty is to be enjoyed under a despot.

One critic expresses surprise that so close an observer had not the sagacity to anticipate the downfall of the French Monarchy. But Turgot's dismissal, which first made Voltaire despair of a peaceful reformation, occurred two months after the publication of the *Wealth of Nations*, and ten years after its author's return to England. Nay, at the time when the finishing touches were being given to that work, it might have been a fair question whether

Turgot's reforms were less likely to save France than Lord North's policy to enslave England. In any case, it was not for a foreigner to play Cassandra to the Bourbons. But it will be shown that the author of the *Wealth of Nations* was under no illusions as to the wretched state of the French peasant, the misgovernment of the kingdom, and its fiscal disorganisation. 121

The tutor and his pupil arrived in Paris on February 13, 1764, and, after ten days with Hume, they proceeded to Toulouse, which still preserved the dignity of a provincial capital, with a parliament, a university, and an archbishopric. The nobility and notables of Languedoc spent the winter there, and it was also a favourite resort of English visitors, probably because it combined a good climate with agreeable society. Its advocates vied with those of Paris. As a social and intellectual centre it might be denominated the Edinburgh of France. Its political importance is marked in the *Wealth of Nations*, where Adam Smith describes the parliament of Toulouse as being "in rank and dignity the second parliament of the kingdom." Fortunately for the two Scots, a cousin of Hume, the Abbé Seignelay Colbert, was at that time Vicar-General of the diocese. Colbert was of the same family as the great minister, and doubtless owed his success in the Gallican Church to that connection. Hume's personal popularity in Paris was enormous, and his letters of introduction, which he wrote or procured, were everywhere of service to the travellers. The Abbé, immediately on their arrival, promised Hume he would do all that he could to make their stay agreeable. After a month he was full of enthusiasm for his new friends:—"Mr. Smith is a sublime man. His heart and his mind are equally admirable.... The Duke, his pupil, is a very amiable spirit, and does his exercises well, and is making progress in French." 122

The Abbé was a man of liberal ideas. Promoted to the bishopric of Rodez, he tried to assist the agriculture and manufactures of his diocese, and even had a momentary popularity in Paris in the year of the Revolution (1789), when as a member of the States-General he proposed the union of the clergy with the Third Estate. The Archbishop of Toulouse at this time was the famous Loménie de Brienne, an old friend of Turgot and Morellet, and so far a disciple of their economic principles that he persuaded the States of Languedoc to adopt free trade in corn. But, as Mr. Rae observes, he could

not have been very friendly to Smith; for afterwards, when Cardinal and Minister of France, he refused Morellet a hundred louis to defray the cost of printing his translation of the *Wealth of Nations*. In spite of Colbert's kindness, the early months at Toulouse dragged heavily, and the Duke proved at first an exacting companion. On July 5th, Smith sent a rather lugubrious and petulant letter to Hume:—

> "I should be much obliged to you if you could send us recommendations to the Duke of Richelieu, the Marquis de Lorges, and the Intendant of the Province. Mr. Townshend assured me that the Duc de Choiseul was to recommend us to all the people of fashion here and everywhere else in France. We have heard nothing, however, of these recommendations, and have had our way to make as well as we could by the help of the Abbé, who is a stranger here almost as much as we. The progress indeed we have made is not very great. The Duke is acquainted with no Frenchman whatever. I cannot cultivate the acquaintance of the few with whom I am acquainted, as I cannot bring them to our house, and am not always at liberty to go to theirs. The life which I led at Glasgow was a pleasurable dissipated life in comparison of that which I lead here at Present. I have begun to write a book in order to pass away the time."

The world has no reason to regret this want of gaiety, for the book which Smith had begun in order to "pass away the time" was no other than the *Wealth of Nations*. At Bordeaux, Adam Smith, his pupil and the Abbé met Colonel Barré who wrote from that town to Hume on September the 4th:—

> "I thank you for your last letter from Paris, which I received just as Smith and his *élève* and l'Abbé Colbert were sitting down to dine with me at Bordeaux. The latter is a very honest fellow, and deserves to be a bishop; make him one if you can.... Smith agrees with me in thinking that you are turned soft by the *délices* of the French Court, and that you don't write in that nervous manner you was remarkable for in the more northern climates."

From this time all went smoothly. Hume got them introductions from his chief, Lord Hertford, the British Ambassador, to the Duc de Richelieu and others.

On the 21st of October they were again in Toulouse, and Smith wrote in good spirits to thank Hume for his kindness and the Ambassador "for the very honourable manner in which he was so good as to mention me to the Duke of Richelieu in the letter of recommendation which you sent us." He adds:—

> "There was, indeed, one small mistake in it. He called me Robinson instead of Smith. I took upon me to correct this mistake myself before the Duke delivered the letter. We were all treated by the Maréchal with the utmost Politeness and attention, particularly the Duke, whom he distinguished in a very proper manner.... Our expedition to Bordeaux and another we have made since to Bagnères has made a great change upon the Duke. He begins now to familiarise himself to French company, and I flatter myself I shall spend the rest of the time we are to live together not only in peace and contentment, but in gayetty and amusement."

They went to Montpellier to see the meeting of the States of Languedoc, the most important of the six local parliaments still remaining in France. There they met Horne Tooke, who afterwards called the *Wealth of Nations* wicked and the *Moral Sentiments* nonsense, and Cardinal Dillon, the Archbishop of Narbonne, another of the band of Gallicised Scots.

In Montpellier and Toulouse they saw many members of the parliament, and obtained an insight into the legal and administrative system of a province which enlightened Frenchmen were fond of citing as a model for the reformation of their country. Smith took rather a favourable view of French justice. The parliaments, he said, "are perhaps, in many respects, not very convenient courts of justice; but they have never been accused, they seem never even to have been suspected, of corruption."

But, though incorruptible, the Toulouse Court had been guilty of one scandalous act of fanatical injustice. In 1762 it found the unfortunate Jean Calas, a Protestant, guilty of the murder of his son, who had abjured his faith in order to join the Toulouse Bar, and then in an agony of remorse had committed suicide in his father's house. Characteristically Smith did not allow this foul episode to distort his perspective. In his last edition of the *Moral Sentiments* the story is told as one of those fatal accidents which

"happen sometimes in all countries, even in those where justice is in general very well administered":—

> "The unfortunate Calas, a man of much more than ordinary constancy (broke upon the wheel and burnt at Toulouse for the supposed murder of his own son, of which he was perfectly innocent), seemed with his last breath to deprecate, not so much the cruelty of the punishment, as the disgrace which the imputation might bring upon his memory. After he had been broke, and was just going to be thrown into the fire, the monk, who attended the execution, exhorted him to confess the crime for which he had been condemned. 'My Father,' said Calas, 'can you yourself bring yourself to believe that I am guilty?'" 125

To such a man, he thinks, "humble philosophy, which confines its views to this life, can afford but little consolation." He must seek refuge in religion, which alone can offer him a prospect of another world of more candour, humanity, and justice. But justice was not allowed to sleep. For three years Voltaire assailed the ears of France with impassioned argument. Before Smith left Toulouse a new trial was ordered, and fifty judges, among them Turgot, revised the sentence, pronounced Calas innocent, relieved his family from infamy, and awarded them a large sum of money.

A long stay in Languedoc would necessarily give a foreigner more favourable impressions of the social and economic state of France than he would have gained, say, in the Limousin, where Turgot was doing heroic battle against famine and maladministration. Languedoc, with its two millions of inhabitants, is described by Tocqueville as the best-ordered and most prosperous as well as the largest of all the *pays d'états*. Its roads, made and repaired without a *corvée*, were among the best in France. Smith was struck by the great canal of Burgundy, constructed some seventy years before by Riquet and kept in good repair by his family, and he saw the province incessantly spending money on developing and improving its roads and rivers. The charitable workhouses established at the royal expense in other parts of France had not been required in this comparatively happy territory. In fiscal system and credit Languedoc was incomparably superior to the rest of the kingdom. A land-tax instead of a poll-tax, few exemptions for the nobles, no farmers-general to collect taxes 126

and fortunes. The contrast between the good local administration of Languedoc, and the fatal results of centralisation in other parts of France, was often in the mind of the author of the *Wealth of Nations*; and all that he said is fully confirmed by Tocqueville's study of French society before the Revolution. Here is a passage that sounds like an echo of Turgot: Smith is speaking of the advantages of local administration from local funds. Under such an administration, he says, "a magnificent highroad cannot be made through a desart country where there is little or no commerce, or merely because it happens to lead to the country villa of the intendant of the province, or to that of some great lord to whom the intendant finds it convenient to make his court. A great bridge cannot be thrown over a river at a place where nobody passes, or merely to embellish the view from the windows of a neighbouring palace: things which sometimes happen in countries where works of this kind are carried on by any other revenue than that which they themselves are capable of affording."

After eighteen months in Toulouse the party went, we are told, "by a pretty extensive tour, through the south of France to Geneva." There Smith was able to gratify two of his strongest passions: his admiration for the Republican form of government and for Voltaire. The little Republic was then in a constitutional tumult, for the citizens were pressing for a share in what had till then been a narrow aristocracy. In this they had the support of Voltaire, who lived, the literary potentate of Europe, at Ferney, just outside the city bounds, in the feudal seigniory of Gex. To his château by the lake pilgrims resorted from all parts of Europe to pay their court, and were hospitably received. Smith seems to have visited Ferney five or six times during his short stay, and conversation deepened the admiration which his favourite author had inspired.

Samuel Rogers, meeting Smith a year before his death, happened to remark of some writer that he was rather superficial, a Voltaire. "Sir!" cried Smith, incensed by this use of the indefinite article, striking the table with his hand, "there has been but one Voltaire." Voltaire, on his side, probably thought well of the *Theory of Moral Sentiments*, for his intimate friend, Dr. Tronchin, the famous physician of Geneva, had sent his son to attend Smith's classes at Glasgow. Rogers's visit fell in the year of the French Revolution, and the question of king against parliaments was being debated.

Smith mentioned that Voltaire had an aversion to the States, and was attached to the royal authority. Voltaire had talked about the Duke of Richelieu, whom the party had met at Toulouse, as a singular character. The duke had slipped down at Versailles, a few years before his death, "the first *faux pas* he had ever made at Court." When Saint-Fond, who visited Edinburgh in 1784, called on Adam Smith, he was shown a fine bust of Voltaire; and Smith discoursed upon the incalculable obligations that Reason owed to the Philosopher of Ferney. "The ridicule and sarcasms which he lavished upon fanatics and hypocrites of all sects have enabled the understandings of men to bear the light of truth," and prepared them for research. "He has done much more for the benefit of mankind than those grave philosophers whose books are read by a few only. The writings of Voltaire are made for all and read by all." Smith said he could not pardon Joseph the Second of Austria, "who pretended to travel as a philosopher," for passing Ferney without doing homage to the historian of Peter the Great. He concluded from this circumstance that Joseph "was but a man of inferior mind."[22]

128

Smith kept no journal during his French tour, and as usual wrote as few letters as possible, though he must have made extensive notes. Most of his letters were probably to report progress to Charles Townshend. I have in my possession part of an abstract of one of these, which, though of no importance in itself, serves to show that he took his tutorship very seriously. From sidelights in the correspondence of Charles Bonnet the naturalist, and Le Sage, and Adam Ferguson, we know that he enjoyed the best company in Geneva, particularly at the house of the Duchesse d'Enville, who was there under Dr. Tronchin's treatment with her son, the ill-fated Duc de la Rochefoucauld. In 1774 Adam Ferguson wrote to Smith that his own bad French reminded the Duchesse d'Enville of her old difficulties with Smith, "but she said that before you left Paris she had the happiness to learn your language." Two years later Bonnet wished Hume to remember him to "the Sage of Glascow, ... whom we shall always recollect with great pleasure."

129

The tutor with his two pupils, for the Duke had been joined at Bordeaux by a younger brother, left Geneva for Paris early in December 1765, promising, however, to return to republican soil before they left the

continent. Hume, now a rich man with a pension of £900 a year, was just leaving the Embassy, and relinquishing his sovereignty of philosophy and society; but the two friends had a few days together before he crossed the Channel with poor, wayward, irresolute Rousseau, hunted or haunted by the furies. Adam Smith was soon in a whirlpool of gaiety and philosophy. Friendship with Hume was enough to ensure a friendly reception from Parisian society, where science and letters were still fashionable. But Smith was known and valued for his own sake; his *Theory of Moral Sentiments* was so much read, praised, and talked about that several translators, among them the young Duc de Rochefoucauld, were competing to repair the badness of the first attempt, published in 1764 by Dous at the instance of Holbach. That of the Abbé Blavet was, Smith thought, but indifferently executed. The best translation, it is said, was that published in 1798 by Condorcet's widow.

For ten months Smith suffered and enjoyed enough dissipation for a lifetime, if we may judge from the Hume correspondence, which shows that in one week of July 1766 he was at Baron Holbach's conversing with Turgot, at the Comtesse de Boufflers', and in the salon of Mademoiselle de l'Espinasse. In fact, as Mr. Rae says, he seems to have been a regular guest in almost all the famous *salons* of Paris. Thus we find Hume writing in March to the Countess de Boufflers: "I am glad you have taken my friend Smith under your protection. You will find him a man of true merit, though perhaps his sedentary recluse life may have hurt his air and appearance as a man of the world." She replies in May that she has made the acquaintance of Mr. Smith, and for love of Hume has given him a very hearty welcome; that she is reading the *Theory of Moral Sentiments*, and believes it will please her. Six years later she talked of translating the book, and said that Smith's doctrine of Sympathy was supplanting Hume's philosophy as the fashionable opinion, especially with the ladies! Smith was a keen playgoer in Paris, and made the acquaintance of Madame Riccoboni, who had been a great actress but had abandoned the stage for the novel, and was almost as popular as Richardson. When he left France she gave him a charming letter of introduction to Garrick:—

> "Je suis bien vaine, my dear Mr. Garrick, de pouvoir vous donner ce que je perds avec un regret très vif, le plaisir de voir Mr. Smith. Ce charming

> philosopher vous dira combien il a d'esprit, car je le défie de parler sans en montrer.... Oh ces Écossois! ces chiens d'Écossois! ils viennent me plaire et m'affliger. Je suis comme ces folles jeunes filles qui écoutent un amant sans penser au regret, toujours voisin du plaisir. Grondez-moi, battez-moi, tuez-moi: mais j'aime Mr. Smith, je l'aime beaucoup. Je voudrois que le diable emportât tous nos gens de lettres, tous nos philosophes, et qu'il me rapportât Mr. Smith."

In a separate letter to Garrick the novelist again describes her friend: "Mr. Smith, un Écossois, homme d'un très grand mérite, aussi distingué par son bon naturel, par la douceur de son caractère que par son esprit et son savoir, me demande une lettre pour vous. Vous verrez un philosophe moral et pratique; gay, riant à cent lieus de la pédanterie des nôtres."[23] Of the Rochefoucaulds we have already heard at Geneva. They seem to have been at Paris during Smith's stay there, for "from Madame d'Enville," writes Dugald Stewart, "the respectable mother of the late excellent and much lamented Duke of Rochefoucauld, he received many attentions which he always recollected with particular gratitude." A story is told of another lady, a marquise of talent and wit, who was so overcome by his personal charms that she fell in love with him at Abbeville, where Smith and the Duke of Buccleuch stopped on one of their excursions from Paris. A Captain Lloyd, who was with the party, doubtless on a patriotic visit to the field of Creçy, told the story to Dr. Currie, the biographer of Burns. The philosopher could neither endure these addresses nor conceal his embarrassment, for the reason, said Lloyd, that he was deeply in love with an English lady who was also at Abbeville. But Dugald Stewart only mentions an early attachment with a lady who remained single, and at eighty years of age still retained evident traces of her former beauty, and adds that "after this disappointment he laid aside all thoughts of marriage."

Susan Curchod, that "inestimable treasure" for whom Gibbon sighed as a lover, had married Necker, then only a successful banker, while Smith and his party were at Toulouse. The mother of Madame de Stäel, as we learn from her first admirer, united elegant manners and lively conversation with wit, beauty, and erudition. No wonder then that her new home was already a centre of Parisian life. The Neckers were very hospitable, and were intimate with Morellet and others of the economic sect. Adam

Smith's impressions of Necker are mentioned by Sir James Mackintosh in the ever admirable though recanted *Defence of the French Revolution*. He had, as we there read, no very high opinion of the future minister, speaking of him as a man probably upright and not illiberal, but narrow, pusillanimous, and entangled by the habit of detail. He predicted that Necker's fame would fall when his talents should be brought to the test, and always said emphatically, "He is a man of detail." Mackintosh adds: "At a time when the commercial abilities of Lord Auckland were the theme of profuse eulogy, Dr. Smith characterised him in the same words."

Dugald Stewart mentions that Smith was also acquainted with D'Alembert, Helvétius, and Marmontel. It was at the house of Helvétius that he first met the great Turgot and the excellent Abbé Morellet. "He talked our language very badly," writes the Abbé in his memoirs; "but his *Theory of Moral Sentiments* had given me a great idea of his depth and sagacity, and in fact I still look upon him as one who made most comprehensive observations and analyses of all the questions that he dealt with. M. Turgot, who was as fond of metaphysics as I was, held a high opinion of his genius. We saw him often; he was presented at the house of Helvétius: we discussed the theory of commerce, banking, loans, and many points in the great book he was then composing. He gave me a very pretty pocket-book which he used and which has served me for twenty years."

Turgot's *Reflections on the Formation and Distribution of Wealth*, which were written about this time, remained unpublished till 1769, when they began to appear in the *Éphémérides du Citoyen*. It is noteworthy as bearing upon the question of mutual obligation between Smith and Turgot that it was the *Wealth of Nations*, not the *Reflections*, which gave topics for their economic discussions. It has been supposed, on the authority of Condorcet, that a correspondence was subsequently carried on between Smith and Turgot. But the publication quite recently of a letter written by Smith to the young Duke of Rochefoucauld has removed all doubt upon the subject. Rochefoucauld had written to inquire of Smith if he possessed any letters from Turgot, and this is the answer:—

> "I should certainly have been very happy to have communicated to your Grace any letters which the ever to be regretted Mr. Turgot had done me

> the honour to write to me; and by that means to have the distinguished honour of being recorded as one of his correspondents. But tho' I had the happiness of his acquaintance and, I flattered myself, even of his friendship and esteem, I never had that of his correspondence. He was so good as to send me a copy of the *Procès Verbal* of what passed at the bed of justice upon the registration of his six edicts which did so much honour to their Author, and, had they been executed without alteration, would have proved so beneficial to his country. But the present (which I preserve as a most valuable monument of a person whom I remember with so much veneration) was not accompanied with any letter."

Twenty-three years afterwards there is an entry in the diary of Samuel Rogers: "Adam Smith said Turgot was an honest, well-meaning man, but unacquainted with the world and human nature; that it was his maxim (he mentioned it to Hume, but never to Smith) that whatever is right may be done." This is certainly not Adam Smith's whole mind about Turgot, for whom he entertained a lively admiration. But undoubtedly he considered that his own obligations to the French School of Political Economy began and ended with Quesnai, and we know that he intended at one time to dedicate his book to the author of the *Economic Table*. Turgot, Morellet, Rivière, and the rest were interpreters of Quesnai—disciples, not masters.

Quesnai was the inventor of a new system, the founder of a sect, and the wielder of whatever influence that sect exerted on the *Wealth of Nations*. Smith's intercourse with Quesnai and the physiocrats, as well as a careful study of their writings, accounts for some important developments of theory which distinguish his book from his lectures, and particularly the attention he there pays to the problem of distribution, as well as a distinct though moderated bias towards agriculture as the most productive of pursuits. He was not a physiocrat. Indeed his criticism of the distinctive doctrine of the school, that all wealth comes from the soil, was felt to be convincing and final. But he went a long way with them, and some of his most important practical conclusions coincided with theirs. No reader of the ninth chapter of Smith's fourth book could doubt that Smith knew Quesnai as well as Quesnai's *Table*, which had been published in 1758 and was regarded with an almost superstitious veneration by the whole sect. If the doubt existed, it

would be dispelled by a curious piece of evidence. Of the half-dozen letters he wrote from France that have been preserved, the longest, dated Compiègne, August 26, 1766, is to Charles Townshend, and describes some anxious moments in which he had called in the aid of the king's physician. The Duke of Buccleuch had been to Compiègne to see the camp and to hunt with the King and the Court, and after hunting had eaten too heartily of a cold supper with a vast quantity of salad and some cold punch. Sickness and fever followed. The faithful tutor begged him to send for a doctor:— 135

> "He refused a long time, but at last, upon seeing me uneasy, consented. I sent for Quenay, first ordinary physician to the King. He sent me word he was ill. I then sent for Senac; he was ill likewise. I went to Quenay myself to beg that, notwithstanding his illness, which was not dangerous, he would come to see the Duke. He told me he was an old infirm man, whose attendance could not be depended on, and advised me as his friend to depend upon De la Saone, first physician to the Queen. I went to De la Saone. He was gone out, and was not expected home that night. I returned to Quenay, who followed me immediately to the Duke. It was by this time seven at night. The Duke was in the same profuse sweat which he had been in all day and all the preceding night. In this situation Quenay declared that it was improper to do anything till the sweat should be over. He only ordered him some cooling ptisane drink. Quenay's illness made it impossible for him to return next day (Monday), and De la Saone has waited on the Duke ever since, to my entire satisfaction."

In reading this we are reminded of a passage in the *Wealth of Nations* where Quesnai is described as "a physician, and a very speculative physician," who thought the health of the human body could be preserved only by a certain precise regimen of diet and exercise, the slightest violation of which necessarily occasioned some degree of disease or disorder. The letter to Townshend continues:— 136

> "Depend upon hearing from me by every post till his perfect recovery; if any threatening symptom should appear I shall immediately despatch an express to you; so keep your mind as easy as possible. There is not the least probability that any such symptom ever will appear. I never stir

from his room from eight in the morning till ten at night, and watch for the smallest change that happens to him. I should sit by him all night too if the ridiculous, impertinent jealousy of Cook, who thinks my assiduity an encroachment upon his duty, would not be so much alarmed, as it gave some disturbance even to his master in his present illness."

The visit was now drawing to an end, but our account of it would be incomplete if we omitted Smith's part in one of the most furious squabbles of the century. Rousseau had arrived in Paris almost simultaneously with our travellers, tempted by Hume's generous promise to find him a refuge in England from his persecutors. The advent of the author of the *Social Contract* and *Émile* threw Paris into a tumult of excitement. "People may talk of ancient Greece as they please," wrote Hume, full of affection and enthusiasm for his *protégé*, "but no nation was ever so proud of genius as this, and no person ever so much engaged their attention as Rousseau. Voltaire and everybody else are quite eclipsed by him." The philosophers of Paris predicted a quarrel before they got to Calais, but for some time Hume contrived to manage this wayward, suspicious genius admirably well, procuring him a pension and a comfortable establishment in Derbyshire. At last, in June, Rousseau suddenly lost his head, mastered by the haunting fears of treachery, and wrote to Hume that his horrible designs were at last found out. For once in his life Hume lost his temper, and discretion departed from him. He determined to punish Rousseau's ingratitude and put himself right in the eyes of the world. But before taking this step he wrote to consult his friends in Paris, and Smith sent the following reply:—

"Paris, *6th July 1766*.

"My dear Friend,—I am thoroughly convinced that Rousseau is as great a rascal as you and as every man here believes him to be. Yet let me beg of you not to think of publishing anything to the world upon the very great impertinence which he has been guilty of to you. By refusing the pension which you had the goodness to solicit for him with his own consent, he may have thrown, by the baseness of his proceedings, a little ridicule upon you in the eyes of the court and the ministry. Stand this ridicule; expose his brutal letter, but without giving it out of your own

hand, so that it may never be printed; and, if you can, laugh at yourself; and I shall pawn my life that before three weeks are at an end this little affair which at present gives you so much uneasiness shall be understood to do you as much honour as anything that has ever happened to you. By endeavouring to unmask before the public this hypocritical pedant, you run the risk of disturbing the tranquillity of your whole life. By letting him alone he cannot give you a fortnight's uneasiness. To write against him is, you may depend upon it, the very thing he wishes you to do. He is in danger of falling into obscurity in England, and he hopes to make himself considerable by provoking an illustrious adversary. He will have a great party, the Church, the Whigs, the Jacobites, the whole wise English nation, who will love to mortify a Scotchman, and to applaud a man who has refused a pension from the King. It is not unlikely, too, that they may pay him very well for having refused it, and that even he may have had in view this compensation. Your whole friends here wish you not to write,—the Baron, D'Alembert, Madame Riccoboni, Mademoiselle Riancourt, M. Turgot, etc. etc. M. Turgot, a friend every way worthy of you, desired me to recommend this advice to you in a particular manner as his most earnest entreaty and opinion. He and I are both afraid that you are surrounded with evil counsellors, and that the advice of your English *literati*, who are themselves accustomed to publishing all their little gossiping stories in newspapers, may have too much influence upon you. Remember me to Mr. Walpole, and believe me to be with the most sincere affection, ever yours,

ADAM SMITH."

Within six months Hume was sorry that he had not taken this sage advice, and blamed himself for the "Succinct Exposure," which had been followed of course by a cloud of pamphlets. We must be careful not to suppose from this letter that Smith really had a mean opinion of Rousseau. He had reviewed with warm but discerning praise the second discourse on the *Origin and Foundation of Inequality among Mankind*; and in later days he spoke with reverential emotion of the author of the *Social Contract*.

Smith was now anxious to return home. To Millar, his publisher, he wrote early in the autumn:—"Though I am very happy here, I long passionately to

rejoin my old friends, and if I had once got fairly to your side of the water, I think I should never cross it again. Recommend the same sober way of thinking to Hume. He is light-hearted, tell him, when he talks of coming to spend the remainder of his days here or in France."

Their return was precipitated by a tragedy. Hew Scott, the Duke's younger brother, a lad of nineteen, was assassinated in the streets of Paris on October 19th. Smith and the Duke almost immediately left Paris, and were in London at the beginning of November. "We returned," wrote the Duke to Dugald Stewart, "after having spent near three years together without 139
the slightest disagreement or coolness, and on my part with every advantage that could be expected from the society of such a man. We continued to live in friendship till the hour of his death." Besides the substantial advantages of independence, Smith, as we learn from many of his contemporaries, had gained vastly in manner, address, and knowledge of the world. Much of his awkwardness had disappeared. In the bustle of travel and society, he almost forgot how to be absent-minded.

We have already mentioned a complaint that Smith failed to realise the utter misery of France or to foresee the Revolution. The second half of the complaint seems to be an impertinence. He was not called upon to write out the past, or present, much less the future of France. The first part of the complaint is more plausible. The *Wealth of Nations* abounds in illustrations drawn from the French tour, and from these we certainly get a less melancholy picture than from the pages of Arthur Young, or from the correspondence of Voltaire, D'Alembert, Turgot and the rest. But then, Young's tour was twenty years later, and the French reformers were thinking exclusively of the stagnant condition of France in a moving and progressive age. They felt bitterly the dreadful difference between their France and the France that should have been but for the impoverishing wars and oppressive misgovernment of Louis XIV. and his successors. Smith took France as she was, and found her still one of the richest and most powerful countries of the world. In the ninth chapter of his first book he compares Holland, England, France, and Scotland. The first, "in 140
proportion to the extent of its territory and the number of its people, is a richer country than England." Its government can borrow at two per cent.; wages of labour are said to be higher than in England, and the Dutch

trade upon lower profits than any people in Europe. They have large investments in foreign countries, and "during the late war the Dutch gained the whole carrying-trade of France, of which they still retain a very large share." England comes next. "France is perhaps in the present times not so rich a country as England." Its market rate of interest is generally higher, and so are the profits of trade; "and it is no doubt upon this account that many British subjects chuse rather to employ their capitals in a country where trade is in disgrace than in one where it is highly respected." Then he shows that, though France was still richer than Scotland, Scotland was making far more rapid progress:—

> "The wages of labour are lower in France than in England. When you go from Scotland to England, the difference which you may remark between the dress and countenance of the common people in the one country and in the other, sufficiently indicates the difference in their condition. The contrast is still greater when you return from France. France, though no doubt a richer country than Scotland, seems not to be going forward so fast. It is a common and even a popular opinion in the country, that it is going backwards; an opinion which, I apprehend, is ill-founded even with regard to France, but which nobody can possibly entertain with regard to Scotland, who sees the country now, and who saw it twenty or thirty years ago."

Misgovernment, it is true, had done its worst in pre-revolutionary France, but it could not ruin fertile territory and a thrifty population. At that time the cities of Bordeaux, Lyons, and Marseilles surpassed in wealth and in the number of their inhabitants Copenhagen, Stockholm, St. Petersburg, and Berlin. Several of the provincial parliaments offered as fair a field for legal talent as the Courts of Dublin and Edinburgh. After the landed nobility, the Church, the King, his ministers, intendants, and a host of minor officials had taken their rents and revenues and stipends, fortunes were still left for rapacious financiers and rascally farmers-general. Smith saw all this and explained it with his usual lucidity. But he never mistook wealth for welfare. He applied his favourite test of the condition of the labouring poor. Though France was a much richer country, with a better soil and climate than Scotland, and "better stocked with all those things which it requires a long time to raise up and accumulate, such as great towns and

convenient and well-built houses, both in town and country," yet the poor were worse off. In England the common people all [*sic*] wore leather shoes, in Scotland the men only; in France both men and women went about sometimes in wooden shoes and sometimes barefooted. He finds the reason for these things in unfair and ill-judged taxation, and he devotes many pages to a severe scrutiny of the French system.

Considering that France had some twenty-four millions of people, thrice the number of Great Britain, that it was naturally richer and had been "much longer in a state of improvement and cultivation," it might have been expected that the French Government could have raised a revenue of thirty millions with as little inconvenience as a revenue of ten millions was raised in Great Britain. In 1765 and 1766 the revenue actually paid into the French Treasury did not amount to fifteen millions sterling. Yet the taxes were so devised and collected that the French people, it was generally acknowledged, were much more oppressed by taxes than the people of Great Britain. "France, however, is certainly the great Empire in Europe which, after that of Great Britain, enjoys the mildest and most indulgent government!" Smith had not only diagnosed the disease; his French studies and his friendship with enlightened men like Turgot, Quesnai, and Morellet had enabled him to propose remedies. "The finances of France," he observes in the second chapter of his fifth book, "seem in their present state to admit of three very obvious reformations." First, he would abolish the *taille* and the capitation, balancing the loss by increasing the number of *vingtièmes* or land-tax. Second, "by rendering the *gabelle*, the *aides*, the *traites*, the taxes upon tobacco, and all the different customs and excises, uniform in all the different parts of the kingdom, those taxes might be levied at much less expense, and the interior commerce of the kingdom might be rendered as free as that of England." Thirdly, by subjecting all taxes to the immediate inspection and direction of government, the exorbitant profits of the farmers-general might be added to the revenue of the State. But, he adds, with the same scepticism that colours his view of the prospects of Free Trade in England, the opposition arising from the private interests of individuals would probably be effectual in preventing all three parts of the scheme of reformation. Yet half a century after the appearance of the *Wealth of Nations* one of its annotators was able to write: "Taxes in France are now placed almost on the footing

142

143

suggested by Dr. Smith. The *taille* and *capitation* have been abolished, and replaced by the *contribution foncière*; the different taxes have been rendered equal in all the provinces of the kingdom, and they are chiefly collected by officers appointed by the Government." Nor is the connection between the book and the reforms either fanciful or remote. "It was, I avow —to the shame of my first instructors," wrote "le bon Mollien," Napoleon's favourite minister of finance, "this book of Adam Smith, then so little known, that taught me better to appreciate the multitude of points at which public finance touches every family, and raises judges of it in every household."

CHAPTER VIII

POLITICS AND STUDY, 1766-76

Adam Smith, as we have seen, had begun to write his immortal book at Toulouse in the summer of 1764 "in order to pass away the time." But even after his return to London, in November 1766, more than nine years were still to pass before the *Wealth of Nations* could be placed in the publisher's hands. All this time the book was his chief occupation, and but for the light which an occasional letter throws upon his studies, the story of Smith's life during these nine years might almost be written in as many lines. For about six months he remained in London, where he mingled with men, collected books and material for his treatise, and saw the third edition of his *Theory of Moral Sentiments* through the press.

In an undated letter to Strahan, who was now a partner in Millar's publishing firm, about the title-page to this volume, the author desired to be called "simply Adam Smith, without any addition either before or behind." He had received the honorary degree of LL.D. before leaving Glasgow, but he did not like to be called Dr. Smith, and seldom used the title. But politics, which had just taken a strange turn, soon commanded his attention; and a curious letter from Smith to Shelburne (February 12, 1767) raises for a moment the curtain that divides the spectator from the actors, and allows us to survey the scene behind which the most enlightened member of the Government was working to introduce common sense into the colonial policy of Great Britain. It was a scene, too, in the greatest political drama of Adam Smith's lifetime, which left deep, decipherable marks on the pages of the *Wealth of Nations*.

While Smith was discussing the new principles with the philosophers of Paris, an active spirit of dissatisfaction had been spreading in distant communities of men. The spirit of liberty seemed to have walked forth over the face of the earth and to threaten revolutions in every part. The Georgians under the valiant Heraclius had revolted against their ignominious tribute to the Turkish seraglios. The tyrannies of a French governor had provoked insurrections in St. Domingo. The first tramp of a

revolutionary march was heard in the Spanish dominions of South America; above all, the long and smouldering discontent in our own American colonies had suddenly been fanned into a blaze. But Europe, whose policy had been the source of all these woes, was for once in a peaceful mood. The Empress of Russia was busy entertaining her savants. The Swede was occupied at home, and the tall Pomeranian was content to drill. A financial crisis in France and England made the two Governments friendly; and though there were bloody feuds and insurrections in Turkey, Poland, and Spain, the historian of Europe, surveying the year 1766 and comparing it with its predecessors, marked it with a white chalk and fancied he could at last spell a drift towards peace in the hollow states and bankrupt empires of the old world. Ambition indeed seldom stoops to calculations, but the most acquisitive imperialist seeing multitudes of unemployed, food at famine prices, and manufactures at a standstill, began to wonder whether after all the conquests of the war had been worth such a price. For once the governing classes were sobered and were ready to make some grudging atonement for one of their worst blunders. The same commercial stress which constrained the French King to pacify his parliaments inclined the parliament of Great Britain to appease the colonial assemblies.

The session of 1766 was one of the longest, most momentous, and stirring within living memory. It had begun, as we have said, with sharp distress at home, and that distress had been aggravated by the disturbances in America; for the colonists, incensed by the Stamp Act, refused to pay for English goods (to the value of several millions) with which their shops and warehouses were stocked. No wonder, then, that in all parts of the realm traders and manufacturers did their best to persuade the Rockingham ministry to adopt conciliatory measures. Parliament was besieged by petitions from the merchants of London, Bristol, Lancaster, Liverpool, Hull, Glasgow, and most of the trading and manufacturing towns in the kingdom, setting forth the great damage done to their trade by the new laws and regulations made for America. They pointed out that the Stamp Act and other harassing legislation had not only sown a crop of discontent in the colonies, but had already produced many bankruptcies at home and were rapidly leading to widespread distress.

A contemporary writer of great power tells us that no matter of debate was ever more ably or learnedly handled in both Houses than the colonial policy which Lord Rockingham and his colleagues laid before Parliament. Those who denied the right of taxing the colonies cited Locke and Selden, Harrington and Puffendorf, to show that the very foundation and ultimate point in view of all government is the good of the society. They inferred from the Magna Charta and Bill of Rights, and from the whole history of our constitution, that no British subject can be taxed save by himself or his own representative; and they further quoted in support of their argument the constitutions of the Tyrian colonies in Africa, and of the Greek colonies in Asia. On this last head the supporters of the Stamp Act (Charles Townshend's fatal measure) observed, sensibly enough, that arguments about the British colonies drawn from the colonies of antiquity were a mere useless display of learning, for the Tyrian and Greek colonies were planned on a totally different system. Besides, they said, the Romans were the first to form a regular colonial system, and Rome's jurisdiction over her colonies was "boundless and uncontrollable." As for Locke, Selden, and Puffendorf, they were only *natural* lawyers, and their refinements were little to the purpose in arguing the law and practice of a particular constitution.

147

The Rockinghams carried the Repeal of the Stamp Act; but the effect of this wise and generous policy was marred by a Declaratory Act for better securing the dependence of His Majesty's dominions in America, which set forth the supremacy of Parliament over all the colonies and its right to impose taxes. At the end of July, after the conclusion of a satisfactory session, the Marquis of Rockingham was suddenly, to the surprise of the nation, ejected from office by the king, and a new ministry of strangely assorted talents, with Chatham at its head, in which Shelburne, Charles Townshend, the Duke of Grafton, and Camden were the leading figures, was pushed into office. Accordingly when Adam Smith returned to England he found not only that those commercial, fiscal, and colonial questions in which he was so deeply versed were the first questions in politics, but also that the two statesmen with whom he was most intimate occupied two of the most important posts—for Charles Townshend was Chancellor of the Exchequer, and Shelburne was a Secretary of State.

148

These events sufficiently explain why a real statesman like Shelburne, one of the leading members of the ministry, was seeking information at the beginning of the session of 1767 upon colonial topics. It seems astonishing to us now that the Roman analogy should have so exercised the minds of practical statesmen; but Greek and Latin were the only subjects in those days with which educated members of the governing classes were sure to be familiar, and it was to these men in Parliament that political arguments were exclusively addressed. Probably Shelburne wanted classical precedents to check his colleagues from reverting to a coercive policy, and was anxious to meet the argument from Rome that had been used in the debates of the previous year. At any rate, he had asked help of Adam Smith, and received the following reply, which was more helpful than it should have been: "Within these two days I have looked over everything I can find relating to the Roman colonys. I have not yet found anything of much consequence.... They seem to have been very independent. Of thirty colonys of whom the Romans demanded troops in the second Carthaginian War, 149
twelve refused to obey. They frequently rebelled and joined the enemies of the republic; being in some measure little independent republics, they naturally followed the interests which their peculiar situation pointed out to them." His first studies on Roman colonisation had a decidedly whiggish complexion. Further reading led him to the juster view expressed in the *Wealth of Nations*, that a Roman colony was quite different from the autonomous Greek ἀποικία, "at best a sort of corporation, which, though it had the power of enacting byelaws for its own government, was at all times subject to the correction, jurisdiction, and legislative authority of the mother country." And this explains why the Greek colonies were so much more prosperous: "As they were altogether independent of the mother city, they were at liberty to manage their own affairs in the way they judged was most suitable to their own interests." But before the colonial debates of 1767 came on Adam Smith had left London.

On March 25th he wrote from Lower Grosvenor Street to Thomas Cadell, one of the partners in Millar's firm, which combined bookselling with publishing, to ask him to insure four boxes of books for £200, and despatch them to Kincaid, his publisher in Edinburgh.[24] He probably stayed in London till the third of May, when the Duke of Buccleuch was 150
married. He would then pick up his valuable parcels in Edinburgh

and go on without delay to Kirkcaldy to rejoin his mother and his cousin, Miss Jane Douglas, from whom he had been separated for more than two years.

His first letter to Hume (Kirkcaldy, June 9th) describes his daily life. "My business here is study, in which I have been very deeply engaged for about a month past. My amusements are long solitary walks by the seaside. You may judge how I spend my time. I feel myself, however, extremely happy, comfortable, and contented. I never was perhaps more so in all my life." He goes on to ask about his friends in London, and wishes to be remembered to all, particularly to Mr. Adams the architect, and to Mrs. Elizabeth Montagu. He inquires about Rousseau: "Has he gone abroad, because he cannot contrive to get himself sufficiently persecuted in Great Britain?" He also wants to know the meaning of "the bargain that your ministry have made with the India Company," and rejoices that they have refused to prolong its charter. At the end of August Smith paid a visit to Dalkeith House to help the newly married couple to entertain their tenants and friends on the occasion of the Duke's birthday. "The Duke and Dutchess of Buccleugh," he wrote to Hume on September 15th, "have been here now for almost a fortnight. They begin to open their house on Monday next, and I flatter myself, will both be very agreeable to the people of this country. I am not sure that I have ever seen a more agreeable woman than the Dutchess. I am sorry that you are not here, because I am sure you would be perfectly in love with her. I shall probably be here some weeks."

Dr. Carlyle was among the guests at Dalkeith House, and in his autobiography takes some credit to himself for the success of the proceedings. "Adam Smith," he says, "was but ill qualified to promote the jollity of a birthday," and but for Carlyle's exertions the meeting might have been dissolved without even drinking the proper toasts. His conclusion is that the Duke and Duchess should have brought down a man of "more address," and he leaves little doubt as to who that man should have been. Incidentally Dr. Carlyle has to admit that the new Duke proved a great credit to his tutor. The Buccleuch family had always been good landlords, but Duke Henry "surpassed them all as much in justice and humanity as he did in superiority of understanding and good sense." Lord Brougham relates a story which illustrates what Carlyle meant by "want of address." On one

occasion, during dinner at Dalkeith, our philosopher broke out into a discourse on some political matters of the day, and was bestowing a variety of severe epithets on a certain statesman, when he suddenly perceived the statesman's nearest relative sitting opposite, and stopped; but he was heard to mutter, "Deil care, deil care, it's all true!"

After two months at Dalkeith he returned to his mother and his studies, and remained for the next six years, so far as we know, uninterruptedly at Kirkcaldy, save for an occasional visit to Edinburgh, whither he was constantly and with much importunity invited by his friend Hume. Dugald Stewart remarks that this retirement "formed a striking contrast to the unsettled mode of life he had been for some time accustomed to, but was so congenial to his natural disposition, and to his first habits, that it was with the utmost difficulty he was ever persuaded to leave it." He was 152
never happier than now, living with his mother in Kirkcaldy; "occupied habitually in intense study, but unbending his mind at times in the company of some of his old school-fellows, whose sober wishes' had attached them to the place of their birth. In the society of such men Mr. Smith delighted; and to them he was endeared, not only by his simple and unassuming manners, but by the perfect knowledge they all possessed of those domestic virtues which had distinguished him from his infancy."[25]

The High Street of Kirkcaldy contained some excellent houses, and that occupied by Smith was one of the best. It was large and substantially built, four stories high, with twenty windows facing into the High Street. It had a frontage of about fifty feet, and a garden of the same width ran back a hundred yards or more eastwards down to the sands. On either side of the garden was a high wall, and on the north side a narrow public footpath divided Smith's garden from his neighbour's. This quaint passage, enclosed by two high walls, is still called Adam Smith's Close.

The house was pulled down in 1844. Robert Chambers, who saw it in the twenties, noticed a mark on the wall of Smith's study, and was told 153
that the philosopher used to compose standing. As he dictated to his clerk he would rub his wig sideways against the wall, and so left a mark which, says the antiquary regretfully, "remained till lately, when the room being painted anew it was unfortunately destroyed." Hume, who had just

removed to James's Court, Edinburgh, wrote to his friend in August 1769 to tempt him from his retreat:—

> "I am glad to have come within sight of you, and to have a view of Kirkaldy from my windows: but as I wish also to be within speaking terms of you, I wish we could concert measures for that purpose. I am mortally sick at sea, and regard with horror and a kind of hydrophobia the great gulf that lies between us. I am also tired of travelling, as much as you ought naturally to be of staying at home. I therefore propose to you to come hither and pass some days with me in this solitude. I want to know what you have been doing, and propose to exact a rigorous account of the method in which you have employed yourself during your retreat. I am positive you are in the wrong in many of your speculations, especially where you have the misfortune to differ from me. All these are reasons for our meeting, and I wish you would make me some reasonable proposal for that purpose. There is no habitation on the island of Inchkeith, otherwise I should challenge you to meet me on that spot, and neither of us ever to leave the place till we were fully agreed on all points of controversy."

By the following February the book had made such progress that Hume was expecting to see his friend in Edinburgh for a day or two on his way to London, where Smith already talked of arranging for immediate publication. He changed his mind, however, though he went to Edinburgh in June, where with the Duke of Buccleuch and John Hallam he received the freedom of the city. In January 1772 we find the friends corresponding about Italian literature. Smith recommends Hume to read Metastasio. Hume replies that he is reading Italian prose, again reminds him of the promised visit, and refuses to take the excuse of ill-health, which he calls a subterfuge invented by indolence and love of solitude. "Indeed, my dear Smith, if you continue to hearken to complaints of this nature, you will cut yourself out entirely from human society to the great loss of both parties."

This year was marked by a severe commercial crisis; nearly all the banks in Edinburgh came to grief, and the Duke of Buccleuch and other friends of Smith were in the greatest difficulty. In a letter to Pulteney (September 5,

1772), Smith says, though he has himself suffered no loss in the public calamities, some of his friends have been deeply concerned, and he has been much occupied about the best method of extricating them. He continues:—

> "In the book which I am now preparing for the press, I have treated fully and distinctly of every part of the subject which you have recommended to me; and I intended to send you some extracts from it; but upon looking them over I find that they are too much interwoven with other parts of the work to be easily separated from it. I have the same opinion of Sir James Steuart's book [26] that you have. Without once mentioning it, I flatter myself that any fallacious principle in it will meet with a clear and distinct confutation in mine.... My book would have been ready for the press by the beginning of this winter, but interruptions occasioned partly by bad health, arising from want of amusement and from thinking too much upon one thing, and partly by the avocations above mentioned, will oblige me to retard its publication for a few months longer."

It appears that Pulteney had recommended the Directors of the East India Company to appoint Smith as a commissioner to examine their administration and accounts. Smith says he is much honoured and obliged: "You have acted in your old way, of doing your friends a good office behind their backs, pretty much as other people do them a bad one. There is no labour of any kind which you can impose upon me which I will not readily undertake." He believes he is in agreement with Pulteney as to the proper remedy for the disorders of the coin in Bengal. The commission, however, was not appointed. No reforms worth mentioning were made, and the *Wealth of Nations* teems with severe criticisms of the Company. [27]

A month after this letter to Pulteney, Hume drafts a little programme for the completion and publication of the work, evidently in reply to one of Smith's dilatory notes: "I should agree to your reasoning if I could trust your resolution. Come hither for some weeks about Christmas; dissipate yourself a little; return to Kirkcaldy; finish your work before autumn; go to London; print it; return and settle in this town, which suits your studious,

independent turn even better than London. Execute this plan faithfully, and I forgive you."

Before following our hero to London with the fateful manuscript, we must repeat a local tradition belonging to this period which is recorded in Dr. Charles Rogers's *Social Life in Scotland*. One Sunday morning Smith, falling into an unusually profound reverie (brought on perhaps by thought upon the disorders of the Bengal currency), walked into his garden in an old dressing-gown. Instead of returning to the house, he made his way by a small path into the turnpike road, and eventually marched into the town of Dunfermline, fifteen miles from his home. The people there were flocking to church, and the bustle restored the philosopher to his wits. In April 1773, after six years of seclusion, he at last left home with his manuscript, intending no doubt to have it printed and published in the course of a few months. He broke his journey at Edinburgh, and there wrote a formal letter constituting Hume his executor:— 156

> "As I have left the care of all my literary papers to you, I must tell you that except those which I carry along with me, there are none worth the publishing but a fragment of a great work which contains a history of the astronomical systems that were successively in fashion down to the time of Descartes. Whether that might not be published as a fragment of an intended juvenile work I leave entirely to your judgment, tho' I begin to suspect myself that there is more refinement than solidity in some parts of it. This little work you will find in a thin folio paper book in my writing-desk in my book-room. All the other loose paper which you will find either in that desk or within the glass folding-doors of a bureau which stands in my bedroom, together with about eighteen thin paper folio books, which you will likewise find within the same glass folding-doors, I desire may be destroyed without any examination. Unless I die very suddenly, I shall take care that the Papers I carry with me shall be carefully sent to you."

He reached London in May, and seems to have remained there until after the publication of the *Wealth of Nations* in March 1776. But the records of his stay are of the slightest. There is left but one important letter, a long and earnest plea against the principle of monopoly in medical education. 157

It was to his friend Dr. Cullen. Some of the Scottish universities had been conferring medical degrees without examination on incompetent men. The Duke of Buccleuch was willing to join in a petition to Parliament to stop the mischief. Smith's views upon the subject are highly characteristic. He considers that the Scotch universities, though of course capable of amendment, are "without exception the best seminaries of learning that are to be found anywhere in Europe." A visitation (that is, a Royal Commission) would be the only proper means of reforming them:—

> "Before any wise man, however, would apply for the appointment of so arbitrary a tribunal in order to improve what is already, upon the whole, very well, he ought certainly to know with some degree of certainty, first, who are likely to be appointed visitors, and secondly, what plan of reformation those visitors are likely to follow; but in the present multiplicity of pretenders to some share in the prudential management of Scotch affairs, these are two points which, I apprehend, neither you nor I, nor the Solicitor-General nor the Duke of Buccleugh, can possibly know anything about."

Perhaps in the future a better opportunity might present itself. An admonition, or other irregular means of interference, was out of the question. Dr. Cullen had proposed that no person should be admitted to examination for his degrees unless he brought a certificate of his having studied at least two years in some university. Smith (who was himself at this very time, with Gibbon, attending a course given by Dr. William Hunter) objects: "would not such a regulation be oppressive upon all private teachers, such as the Hunters, Hewson, Fordyce, etc.? The scholars of such teachers surely merit whatever honour or advantage a degree can confer much more than the greater part of those who have spent many years in some universities.... When a man has learnt his lesson very well, it surely can be of little importance where or from whom he has learnt it."

The last sentence is one that men should lay to heart. It is one of those obvious truths which few have the candour to assert and still fewer the courage to act upon. A very clever person, on reading the *Wealth of Nations*, complained that it seemed to be little more than a well arranged succession of truisms. Yet for the want of those truths mankind has stumbled along in

the dark from the beginning. “The less you restrain trade, the more you will have.” A truism, if you like, but its denial has caused an infinitude of avoidable suffering. “If a man has learnt his lesson well, never mind about his university or his degree.” A truism, without doubt, but one that is constantly neglected and despised to the grave detriment of justice and learning.

Smith held that the effect of degrees injudiciously conferred was not very considerable. “That doctors are sometimes fools as well as other people is not in the present time one of those profound secrets which is known only to the learned.” Apothecaries and old herb-women practised physic without complaint, because they only poisoned the poor people. “And if here and there a graduated doctor should be as ignorant as an old woman, can great harm be done?” Smith rubbed in his moral about university degrees with evident relish, comparing degrees which could only be conferred on students of a certain standing to the statutes of apprenticeship and other corporation laws, which had expelled arts and manufactures from so many boroughs.

In boroughs, monopoly had made work bad and dear; in universities, it had led to quackery, imposture, and exorbitant fees. One remedy for the inconveniences of town corporations had been found in the outgrowth of manufacturing villages; and, in a similar way, the private interest of some poor professors of physic had done something to check the exorbitance of rich universities, which made a course of eleven or even sixteen years necessary before a student could become a Doctor of Law, Physic, or Divinity. The poor universities could not stipulate for residence, and sold their degrees to any one who would buy them, often without even a decent examination. “The less trouble they gave, the more money they got, and I certainly do not pretend to vindicate so dirty a practice.” Nevertheless these cheap degrees, though extremely disagreeable to graduates whose degrees had cost much time and expense, were of advantage to the public in that they multiplied doctors, and so sunk fees. “Had the Universities of Oxford and Cambridge been able to maintain themselves in the exclusive privilege of graduating all the doctors who could practise in England, the price of feeling a pulse might by this time have risen from two and three guineas, the price which it has now happily arrived at, to double or triple that sum;

and English physicians might, and probably would, have been at the same time the most ignorant and quackish in the world."[28]

This trenchant reasoning seems to have prevailed. At any rate, the idea of obtaining governmental interference was dropped. Some time afterwards, however, Dr. Cullen took an opportunity of pointing out that there is a good deal more to be said for the corporate regulation of medicine than for ordinary trade guilds. Adam Smith probably pushed his argument for free trade in medical degrees to this extreme mainly from anxiety to prevent the interference of an unwise Government in his favourite universities, though partly no doubt because he thought fraudulent competition better than none, partly again for love of maintaining a paradox. A more spacious handling of this theme is found in the *Wealth of Nations*, more especially in the famous tenth chapter of the first book, with its account of "Inequalities occasioned by the Policy of Europe," and in a later criticism of universities. 160

During his stay in London Smith was in close intercourse with the ruling kings of art, science, and letters, as well as with some of the leading statesmen. We hear of him in January 1775 with Johnson, Burke, and Gibbon at a dinner given by Sir Joshua Reynolds. In December, Horace Walpole met him at Beauclerk's. With Gibbon, as we have seen, he attended Dr. William Hunter's lectures on Anatomy. Hume's letters to him were addressed to the British Coffee House in Cockspur Street, a club kept by a clever sister of Bishop Douglas and much favoured by Scots in London, though Goldsmith, Reynolds, Garrick, and Richard Cumberland were also members. In 1775 he was elected a member of the famous Literary Club which met at the Turk's Head in Gerrard Street. The members present on the night of his election were Gibbon, Reynolds, Beauclerk, and Sir William Jones, three of whom appear in Dean Barnard's lines:— 161

"If I have thoughts and can't express 'em,
Gibbon shall teach me how to dress 'em
In form select and terse;
Jones teach me modesty and Greek,
Smith how to think, Burke how to speak,
And Beauclerk to converse."

The still small voice of a detractor was heard: Boswell wrote to a friend that with Smith's accession the club had "lost its select merit."

All this time the fatal quarrel with America was drawing near. Upon this, as upon all other economical questions, Smith was in full sympathy with Burke, "the only man I ever knew who thinks on economic subjects exactly as I do, without any previous communications having passed between us." This compliment, as we know, was highly valued by the author of the speech on American Taxation. But Smith had another friend and counsellor for his critical chapter on the colonies and their administration. Dr. Franklin is reported to have said, that "the celebrated Adam Smith when writing his *Wealth of Nations* was in the habit of bringing chapter after chapter as he composed it to himself, Dr. Price, and others of the literati"; that he would then patiently hear their observations, sometimes submitting to write whole chapters anew, and even to reverse some of his propositions. Franklin's remark has probably been inaccurately reported. We know from one of Smith's letters that he had not a high opinion of Dr. Price as an economist; but Parton, Franklin's biographer, justly points to the countless colonial illustrations with which the *Wealth of Nations* abounds, and to that intimate knowledge of American conditions which Franklin was of all men the best fitted to impart. And there is internal evidence in the text itself that the important chapter on the colonies in Book IV. was written, or at least considerably enlarged, in the years 1773 and 1774. Franklin's papers contained problems which seemed to have been jotted down at meetings of philosophers, and no doubt Price as well as Smith would take a prominent part. At Glasgow Smith must have heard a good deal about the colonial trade; but colonial policy did not become the question of the day until after he left, and in the lectures there is nothing about the colonies. We may conjecture that the idea of devoting a large section of the book to the history and economics of colonial dominions did not strike him until after his return from France. The great debates of 1766 and of the early seventies, the intimate acquaintance with British policy and finance in large outline and in official detail, which his friendships with Burke and Franklin, with Oswald, Pulteney, and Shelburne helped him to acquire, and his eagerness to prevent war and to discredit expenditure on colonial establishments, or indeed upon any provinces which could not support themselves, conspired

to make colonial policy and imperial expenditure large and imposing themes in the *Wealth of Nations*.

CHAPTER IX

THE *WEALTH OF NATIONS* AND ITS CRITICS

In February 1776 Hume wrote to Smith: "By all accounts your book has been printed long ago, yet it has never been so much as advertised. What is the reason? If you wait till the fate of America be decided, you may wait long." Declining health made him anxious to accelerate his friend's return. "Your chamber in my house is always unoccupied." In the same letter there are a few words about the war with the American colonies. The two friends were at one in condemning the war and the colonial policy which provoked it. But Smith was more deeply moved by the impending disaster, and was eagerly endeavouring to induce the Government to adopt means of conciliation before it was too late. He was therefore—so the Duke of Buccleuch had informed Hume—"very zealous" in American affairs. "My notion," writes Hume, cool as ever where only national interests were concerned, "is that this matter is not so important as is commonly imagined. If I be mistaken, I shall probably correct my error when I see you, or read you. Our navigation and general commerce may suffer more than our manufactures. Should London fall as much in size as I have done, it will be the better. It is nothing but a hulk of bad and unclean humours."

At last, on the 9th of March, *An Inquiry into the Nature and Causes of the Wealth of Nations* was published in two sumptuous quarto volumes. The price was thirty-six shillings, and the first edition, probably of a thousand copies, was sold out in six months; though the second, a reprint with some few corrections and additions, was not issued till 1778. The publishers were Strahan and Cadell. Smith is said to have received £500 for the first edition, the sum paid by the same firm to Steuart for his *Principles of Political Economy* (1767). The first volume of Gibbon's *History* came out at the same time. Hume was immensely taken with both performances. He told Gibbon that he should never have expected such a work from the pen of an Englishman. To Smith he wrote:— 164

> "EUGE! BELLE! DEAR MR. SMITH,—I am much pleased with your performance; and the perusal of it has taken me from a state of great

> anxiety. It was a work of so much expectation, by yourself, by your friends, and by the public, that I trembled for its appearance, but am now much relieved. Not but that the reading of it necessarily requires so much attention, and the public is disposed to give so little, that I shall still doubt for some time of its being at first very popular. But it has depth, and solidity, and acuteness, and is so much illustrated by curious facts that it must at last take the public attention. It is probably much improved by your last abode in London. If you were here at my fireside, I should dispute some of your principles. I cannot think that the rent of farms makes any part of the price of the produce, but that the price is determined altogether by the quantity and the demand."

On the publication of the book Sir John Pringle observed to Boswell that Dr. Smith, who had never been in trade, could not be expected to write well on that subject any more than a lawyer upon physic. Boswell passed this on to Johnson, who replied: "He is mistaken, sir; a man who has never been engaged in trade may undoubtedly write well upon trade, and there is nothing which requires more to be illustrated by philosophy than trade does." Johnson added, as if he had already turned over with profit the pages of the new book, that trade promises what is more valuable than money, "the reciprocation of the peculiar advantages of different countries." Gibbon was no less delighted than Hume with the new philosophy. "What an excellent work!" he exclaimed; "an extensive science in a single book, and the most profound ideas expressed in the most perspicuous language." Gibbon's judgment has been confirmed by the tribunals of Time, and the world places the *Wealth of Nations* in the small library of masterpieces that receives, as the years roll by, so surprisingly few accessions.

In a science like political economy, every new teacher endeavours to correct the mistakes of his predecessors, to supply their deficiencies, and generally to teach the science in its last stage of perfection. Some of Smith's successors were themselves men of genius, and proved equal to the task of displacing their master for a few years. But those who have seen the rise and decline of Mill may well ask with Wakefield, who had seen Smith superseded by Malthus and Ricardo and M'Culloch: How is it that the *Wealth of Nations*, all these things notwithstanding, is still read and studied and quoted as if it had been published yesterday? How is it that British

statesmen from Pitt to Gladstone should have sought authority in the same pages? After all, the question we are asking is a wider one. [166] Why is this one of the great books of the world? We would like to say simply: It is the world's verdict; take it or not as you like; but whether you like it or not, it stands. One cannot argue with universal consent. Still something may be due in extenuation of fame. In the first place, Adam Smith writes as one who has applied his mind to definite problems without neglecting a wider field of letters and learning. The store is rich and the steward is bounteous. So far from being an isolated study of abstract doctrines, political economy is treated from first to last as a branch of the study of mankind, a criticism of their manners and customs, of national history, administration, and law. Even when silencing a battery or throwing up a counterwork he is very seldom disputatious or doctrinal. "He appears," says Wakefield, "to be engaged in composing not a theory, but a history of national wealth. He dwells indeed on principles, but nearly always, as it seems, for the purpose of explaining the facts which he narrates." There is no scarecrow of thin abstractions and deterrent terminology flapping over the pages to warn men off a dismal science. The laws of wealth unfold themselves like the incidents in a well-laid plot. It was left for his successors to show how dull economics might be, and how suitable for the empty class-room of an endowed chair.

Hume, as we have seen, on reading the *Wealth of Nations* foretold that its curious facts would help to gain the public ear. Adam Smith was full of out-of-the-way learning. He collected stories of all the adventures in the New World, and loved to sift the wheat from the chaff of a traveller's tale. [167] Consequently his book abounds in oddities about his own and bygone ages, and a few of these with necessary abbreviations may be retailed:—

> There is at this day a village in Scotland, where it is not uncommon, I am told, for a workman to carry nails instead of money to the baker's shop or to the alehouse.
>
> In North America, provisions are much cheaper and wages much higher than in England. In the province of New York, common labourers earn

three shillings and sixpence currency, equal to two shillings sterling a day.

Till after the middle of the fourteenth century, an English mason's wages were much higher than those of a parish priest. In spite of a statute of Anne there are still [1776] many curacies under £20 a year.

A middling farmer in France will sometimes have 400 fowls in his yard.

Between 1339 and 1776 the price of the best English wool has fallen from 30s. to 21s. the tod, after allowing for the changes in the currency. The price of a yard of the finest cloth has fallen, after making the same allowances, from £3, 3s. 6d. to £1, 1s. since 1487.

The first person that wore stockings in England is said to have been Queen Elizabeth. She received them as a present from the Spanish Ambassador.

What was formerly a seat of the family of Seymour, is now an inn upon the Bath road. The marriage bed of James the First of Great Britain, which his Queen brought with her from Denmark as a present fit for a sovereign to make to a sovereign, was a few years ago the ornament of an alehouse at Dunfermline.

The wool of the southern counties of Scotland is, a great part of it, after a long land carriage through very bad roads, manufactured in Yorkshire, for want of a capital to manufacture it at home. In England, owing to the laws of settlement, it is often more difficult for a poor man to pass the artificial boundary of a parish than an arm of the sea or a ridge of high mountains.

There is no city in Europe in which house rent is dearer than in London, and yet I know no capital in which a furnished apartment can be hired so cheap.

At Buenos Ayres forty years ago 1s. 9½d. was the ordinary price of an ox.

> A piece of fine cloth which weighs only eighty pounds, contains in it the price not only of eighty pounds weight of wool, but sometimes of several thousand weight of corn, the maintenance of the different working people, and of their immediate employers.
>
> In the white herring fishery it has been common for vessels to fit out for the purpose of catching not the fish but the bounty. In 1759, when the bounty was at fifty shillings the ton, each barrel of sea sticks cost Government in bounties alone, £113, 15s.; each barrel of merchantable herrings £159, 7s. 6d.

The *Wealth of Nations* is a book to be read as it was written. More than half its nutriment and all its fascination is lost if you cut away the theory from its historical setting.[29] Osteology is fatal to economics. That is why the *Wealth of Nations* is far better suited to beginners than an ordinary child's primer. But as the Lectures on Police were the author's own first draft, the reader of these pages is already cognisant of a great part of the *Wealth of Nations*.

It remains to indicate some of the principal accessions to Smith's scheme of political economy after he left Glasgow. The task has been made easy by Mr. Cannan. In the first place, the chapters on Wages, Profit, and Rent in the First Book, and on Taxation in the last, mark a wonderful development and improvement of the imperfect and rudimentary treatment accorded to these subjects in the Lectures. Then again, chapter ix. of Book IV. on the French economists and their agricultural system is entirely new. The system of the *économistes* is described in that chapter as one which, with all its imperfections, was perhaps the nearest approximation to the truth that had yet been *published* on the subject of political economy. We are told that its adherents, a pretty considerable sect, had done good service to their country by influencing in some measure the public administration in favour of agriculture. They all followed "implicitly and without any sensible variation the doctrine of Mr. Quesnai," whose *Economical Table* they regarded with extraordinary veneration, ranking it with writing and money as one of the three great inventions made by mankind.

Quesnai's *Table* showed three sorts of expenses: Productive expenses, Expenses of revenue, and Sterile expenses, with "their source, their distribution, their effects, their reproduction, their relation to each other, to population, to agriculture, to manufactures, to commerce, and to the general riches of the nation." In the *Wealth of Nations* this idea is followed out and improved; for the author, having shown in his First Book how the average produce of labour is regulated by the skilled dexterity and judgment with which it is generally applied, shows in his Second that it is further regulated "by the proportion between the number of those who are employed in useful labour, and that of those who are not so employed." It would be absurd to call him a plagiarist; it would be equally absurd to deny that the French School had opened his eyes to the necessity for analysing the distribution of wealth no less carefully than its production. As the division of labour came from the Greek, so the distribution of the annual produce of wealth into wages, profit, and rent, came from the French philosophers. And we cannot forget that Quesnai's death alone prevented Smith from dedicating his book to the inventor of the Economic Table.

Equally important from the standpoint of theory, and far more so from that of the legislator and statesman, are the chapters upon taxation. There the lectures, though they made a distinct advance upon Hume, were rudimentary. But modern ingenuity cannot improve upon the four practical maxims or canons of taxation:—

1. The subjects of every State should contribute in proportion to their respective abilities.

2. A tax should be certain, and not arbitrary.

3. A tax should be levied at the time and in the way most convenient to the taxpayer.

4. Every tax ought to be so contrived as both to take out and to keep out of the pockets of the people as little as possible over and above what it brings into the public treasury.

Axiomatic as these rules appear to us, in Adam Smith's day they were new and startling: they had never been formulated or practised in any country.

Smith was “the first that ever burst” upon the silent sea of taxation. 171
He put into the hands of statesmen, who had hitherto been groping and blundering in the dark, a perfect touchstone by which to test projects old and new of raising revenue. The idea of considering the taxpayer was itself a novelty. It is true that the criterion of ability had been adopted in the Elizabethan poor-rate, but there was no other trace of it in the fiscal system of Great Britain, which was on the whole, even at that time, the best in Europe.

Smith treated taxation as one of the causes that impede the progress of wealth. It is characteristic of the man that he does not regard any tax, even the land-tax, as good in itself, but only praises it comparatively as a lesser evil. Burke himself was not a more consistent or persistent preacher of economy. Not that Smith was jealous of expenditure on roads and communication, public instruction, and other services which were plainly beneficial to the whole society, and could not be left to private enterprise. He has no pedantic objection to the State managing a business that it is capable of managing well. He mentions without disapproval that the republic of Hamburg makes money out of a lombard,[30] a wine cellar, and an apothecary’s shop. But the post-office “is perhaps the only mercantile project which has been successfully managed by every sort of Government.”

Of all taxes he most dislikes taxes upon the necessaries of life. Yet he does not deny that if, after all the proper sources of taxation have been exhausted, revenue is still required, “improper” taxes must be imposed. To preserve their land from the sea, and their republic from its enemies, 172
the Dutch had had recourse to very objectionable taxes, and he does not blame them if they could in no other way maintain that republican form of government, which he regards as “the principal support of the present grandeur of Holland.” But he makes it very plain indeed in his last, and perhaps his greatest, chapter “Of Public Debts,” that the miseries and embarrassments of Europe are due in the main to profligate expenditure of all kinds, and especially to the immense sums wasted on wars that ought to have been avoided.

Therefore a new commercial policy would not suffice. New principles of foreign and colonial policy must be introduced, and we must sweep away for ever the cobweb occasions and pretexts that had drawn us into so many futile conflicts. But he was equally anxious to promote economy in time of peace. He was alarmed at the progress of the enormous debts "which at present oppress and will in the long-run probably ruin all the great nations of Europe." He saw that when war has once been begun, no limit can be set to expenditure. But some limit, he thought, could and should be set to debt; and therefore he pleaded for a policy of strict economy in time of peace, and pleaded so effectively that it was adopted by Pitt in the breathing-space between the American and the French wars. But for that policy, which reduced armaments to a point considered by some dangerously low, Great Britain could hardly have stood the stress and strain of her long-drawn conflict with Napoleon.

To thriftlessness in time of peace Smith attributes some of the peculiar evils that attend modern warfare. His remarks sound strangely familiar in our ears, as though they had been written by a philosopher of yesterday about the events of the day before:—

> "The ordinary expense of the greater part of modern governments in time of peace being equal or nearly equal to their ordinary revenue, when war comes they are both unwilling and unable to increase their revenue in proportion to the increase of their expense. They are unwilling, for fear of offending the people, who by so great and so sudden an increase of taxes, would soon be disgusted with the war; and they are unable, from not well knowing what taxes would be sufficient to produce the revenue wanted. The facility of borrowing delivers them from the embarrassment which this fear and inability would otherwise occasion.... In great empires, the people who live in the capital, and in the provinces remote from the scene of action, feel, many of them, scarce any inconveniency from the war, but enjoy at their ease the amusement of reading in the newspapers the exploits of their own fleets and armies. To them this amusement compensates the small difference between the taxes which they pay on account of the war, and those which they had been accustomed to pay in time of peace. They are commonly dissatisfied with the return of peace,

which puts an end to their amusement, and to a thousand visionary hopes of conquest and national glory."

Indeed, he adds, the return of peace seldom relieves a nation from the greater part of the taxes imposed during the war. They are still required to pay the interest on the newly created debt.

Of all Smith's theories, or rather opinions—for after all, the question is a mixed one of morals and expediency which cannot be answered by abstract formulas of right or rules of logic—not the least important or characteristic is his doctrine of empire and imperial expenditure. The view now cherished and practised in the great bureaucracies of Europe, and often 174 advanced by socialists under the plausibly scientific phraseology of a theory of consumption, that national profusion is a good thing in itself, was not then propagated or defended by responsible persons. But, though thrift was on their lips, their hands were often in the public purse; and it could not be said that warnings against the outlay of national resources upon useless or mischievous objects were unneeded. Appropriately enough, the very first time, so far as we know, that the *Wealth of Nations* was cited in Parliament, it was cited as an authority against the policy of accumulating armaments in time of peace. In his speech on the address (November 11, 1783) Fox is reported to have said: "There was a maxim laid down in an excellent book upon the Wealth of Nations, which had been ridiculed for its simplicity, but which was indisputable as to its truth. In that book it was stated that the only way to become rich was to manage matters so as to make one's income exceed one's expenses. The proper line of conduct, therefore, was by a well-directed economy to retrench every current expense, and to make as large a saving during the peace as possible."[31]

But Smith took no narrow or penurious view of national economy. He did not prize thrift for its own sake. Such a charge might possibly be brought by an unfriendly critic against Ricardo or Joseph Hume, but assuredly not against Adam Smith. Like Burke and Cobden, he valued frugality in 175 nations as a safeguard against wrong-doing, a prime source of security and independence, and a perpetual check upon the lust of conquest and aggrandisement that so often lurks under the respectable uniform of a missionary civilisation. As he describes the discoveries of the New World

and the beginnings of modern empire, a poignant epithet or a burning phrase tells the lesson of many a romantic scramble for the fleece that was so seldom golden, of many a credulous hunt for a fugitive Eldorado.

After showing that the gold and silver mines of their colonial empires had neither augmented the capital nor promoted the industry of the two "beggarly countries" of Spain and Portugal, he carefully distinguishes between the natural advantages of a colonial trade and the artificial disadvantages caused by the policy of monopoly, that is by the endeavours of the mother country to restrict that trade to her own merchants. If the governments of Europe had been content to found colonies, and see that they were well and justly administered, the full benefit of opening up new countries, and of interchanging their products, would have been felt. But unhappily every country that had acquired foreign possessions sought to engross their trade, thus injuring its own people and the colonial or subject race by checking the natural growth of commerce, and forcing it into unnatural channels. This so-called mercantilist policy was therefore just as disastrous to commerce as to morals.

> "To found a great empire for the sole purpose of raising up a people of customers, may at first sight appear a project fit only for a nation of shopkeepers. It is, however, a project altogether unfit for a nation of shopkeepers; but extremely fit for a nation whose government is influenced by shopkeepers. Such statesmen, and such statesmen only, are capable of fancying that they will find some advantage in employing the blood and treasure of their fellow-citizens, to found and maintain such an empire."

Far worse in their results than the regular conquests of government, were the irregular acquisitions of companies formed for trading purposes; and one of the masterly chapters added to the third edition of his book (1784) traces the misery, injustice, and commercial failure which had attended the rule of the East India Company.

> "It is a very singular government, in which every member of the administration wishes to get out of the country, and consequently to have done with the government, as soon as he can, and to whose interest, the day after he has left it, and carried his whole fortune with him, it is

perfectly indifferent though the whole country was swallowed up by an earthquake."

What, then, was the practical policy which Smith recommended to the British Government? It had two main ends in view. First, to pay off the debt; secondly, to lessen and gradually remove all taxes which raised the prices of articles consumed by the labouring classes, or interfered with the free course of trade. Writing as he did, in 1775, on the eve of war, his thoughts naturally turned to the colonies, then so rich and prosperous, which had contributed nothing to the income but so heavily to the expenditure and debt of the British crown.

Smith would have liked the British Government to renounce its authority over the colonies, and so not only relieve the revenue from a serious annual drain, but at the same time convert the Americans from turbulent and fractious subjects to the most faithful, affectionate, and generous allies. But seeing that neither people nor government would brook such a mortification, he suggested that to save the situation they should try, by a scheme of union, to break up the American confederacy and reconstitute the empire on a fair basis. Let us give, he said, to each colony which will detach itself from the general confederacy a number of representatives in parliament proportionate to its contribution, and so open up a new and dazzling object of ambition to the leading men of each colony. If this or some other method were not fallen upon of conciliating the Americans, it was not probable that they would voluntarily submit, and "they are very weak who flatter themselves that, in the state to which things have come, our colonies will be easily conquered by force alone." The leaders of the Congress had risen suddenly from tradesmen and attorneys to be statesmen and legislators of an extensive empire "which seems very likely to become one of the greatest and most formidable that ever was in the world." Nay, if the union he suggested as an alternative to peaceful and friendly parting were constituted, he predicted that in the course of little more than a century the empire would draw more revenue from America than from the mother country; and "the seat of the empire would then naturally remove itself to that part of the empire which contributed most to the general defence and support of the whole." It was such a scheme as this that Burke ridiculed when he pictured "a shipload of legislators" becalmed in mid-Atlantic.

As a politician Smith was doubtless attracted by the prospect of introducing a strong democratic and republican strain into parliament, though he pretends to think that the balance of the constitution would not be affected. He points out also that the constitution would be completed by such a union, and was imperfect without it, for "the assembly which deliberates and decides concerning the affairs of every part of the empire, in order to be properly informed, ought certainly to have representatives from every part of it."[32] In the last chapter of the *Wealth of Nations* he describes the project as at worst "a new Utopia, less amusing, certainly, but no more useless and chimerical than the old one," and shows how the British system of taxation might be extended along with representation in parliament to the colonies in such a way as to produce a great addition to the imperial revenue and a large permanent surplus for the redemption of debt. In this way the debt could be discharged in a comparatively short period, and as revenue would be continually released, the most oppressive taxes could be gradually reduced and remitted. By this prescription "the at present debilitated and languishing vigour of the empire" might be completely restored. Labourers would soon be enabled to live better, to work cheaper, and to send their goods cheaper to market. Cheapness would increase demand, and the increased demand for goods would mean an increased demand for the labour of those who produced them. This again would tend both to raise the numbers and improve the circumstances of the labouring poor. Lastly, as the consuming power of the community grew, there would be a growth in the revenue from all those articles of consumption which remained subject to taxation.

178

179

The plan of an imperial parliament and imperial taxation could not be realised. Smith himself saw that the economic and constitutional objections were great, though "not unsurmountable." Upon one point, however, he was clear. If it were impracticable to extend the area of taxation, recourse must be had to a reduction of expenditure; and the most proper means of retrenchment would be to put a stop to all military outlay in and on the colonies. If no revenue could be drawn from the colonies, the peace establishments "ought certainly to be saved altogether." Yet the peace establishments were insignificant compared with what wars for the defence of the colonies had cost. But for colonial wars the national debt would have

been paid off. It was urged that the colonies were provinces of the British Empire:—

> "But countries which contribute neither revenue nor military force towards the support of the empire, cannot be considered as provinces. They may perhaps be considered as appendages, as a sort of splendid and showy equipage of the empire. But if the empire can no longer support the expence of keeping up this equipage, it ought certainly to lay it down; and if it cannot raise its revenue in proportion to its expence, it ought, at least, to accommodate its expence to its revenue. If the colonies, notwithstanding their refusal to submit to British taxes, are still to be considered as provinces of the British Empire, their defence in some future war may cost Great Britain as great an expence as it ever has done in any former war. The rulers of Great Britain have, for more than a century past, amused the people with the imagination that they possessed a great empire on the west side of the Atlantic. This empire, however, has hitherto existed in imagination only. It has hitherto been, not an empire, but the project of an empire; not a gold mine, but the project of a gold mine; a project which has cost, which continues to cost, and which, if pursued in the same way as it has been hitherto, is likely to cost, immense expence, without being likely to bring any profit: for the effects of the monopoly of the colony trade, it has been shewn, are, to the great body of the people, mere loss instead of profit. It is surely now time that our rulers should either realise this golden dream, in which they have been indulging themselves, perhaps, as well as the people; or that they should awake from it themselves, and endeavour to awaken the people. If the project cannot be completed, it ought to be given up. If any of the provinces of the British Empire cannot be made to contribute towards the support of the whole empire, it is surely time that Great Britain should free herself from the expence of defending those provinces in time of war, and of supporting any part of their civil or military establishments in time of peace, and endeavour to accommodate her future views and designs to the real mediocrity of her circumstances."

With these ever-memorable and resounding words he ends the great *Inquiry*, not vaguely admonishing some shadowy cosmopolis of economic men, but straightly beckoning his own countrymen and their rulers off the

broad way of wantonness and mischief to the harder paths of an inglorious but fruitful economy.

The reader of this little volume will not expect or desire an excursus upon the multitudinous treatises, critical and apologetical, that have sprung out of the *Wealth of Nations*. The vitality of the book may be measured by the numbers of its detractors and defenders. Among the former the modern historical school of Germany claims notice; for has not its distinguished and erudite leader, Professor Schmoller, placed Adam Smith somewhere below Galiani, Necker, Hoffmann, Thünen, and Rümelin? 181

Perhaps the reason why economists of the modern historical school so often fail as valuers of men and books, is that they are enjoined by the very laws of their existence to be "learned"; and "learning" requires that obscure and deservedly forgotten writers should be rediscovered and magnified at the expense of surviving greatness. Too many modern critics of "Smithianismus," instead of attending to the author's own works and so penetrating his philosophy, seek him elsewhere, rummage in the literature of the period, overhaul every book, good, bad, or indifferent, characterise it in the text, and place its title-page and date in a footnote. Such labour, however useful to others, is apt to destroy the perspective and warp the judgment.

A man who snares facts is of all men the most likely to be caught in a theoretical trap. Here is an example. In 1759 Adam Smith wrote a book on *moral* sentiments which he founded on the natural instinct of sympathy. In 1776 he wrote a book on *economic* sentiments, which he derived from self-love or the desire of man to improve his position. Upon these facts the following theory is built up by the historical school of Germany:—

> "Smith was an Idealist as long as he lived in England under the influence of Hutcheson and Hume. After living in France for three years, and coming into close touch with the materialism that prevailed there, he returned a Materialist. This is the simple explanation of the contrast between his *Theory* (1759), written before his journey to France, and his *Wealth of Nations* (1776), composed after his return."[33]

Most of this nonsense has been blown to the four winds by Mr. Cannan's publication of the *Lectures* delivered at Glasgow before Adam Smith went to France; but a vast quantity of similar rubbish is embedded in the economic literature of the last thirty or forty years, and a difficulty which learned investigators have invented and solved has been dignified in Germany by the name of "Das Adam Smith Problem." 182

The truth, as Smith conceived it, is that men are actuated at different times by different motives, benevolent, selfish, or mixed. The moral criterion of an action is: will it help society, will it benefit others, will it be approved by the Impartial Spectator? The economic criterion of an action is: will it benefit me, will it be profitable, will it increase my income? Smith built his theory of industrial and commercial life upon the assumption that wage-earners and profit-makers are generally actuated by the desire to get as high wages and profits as possible. If this is not the general and predominant motive in one great sphere of activity, the production and distribution of wealth, the *Wealth of Nations* is a vain feat of the imagination, and political economy is not a dismal science but a dismal fiction. But there is nothing whatever either to excite surprise or to suggest inconsistency in the circumstance that a philosopher, who (to adopt the modern jargon of philosophy) distinguished between self-regarding and other-regarding emotions, should have formed the first group into a system of economics and the second into a system of ethics.

If this comes of learning, an even more extravagant charge has been preferred by an emotional school. A heated imagination, certainly not encumbered with facts, and informed only that Adam Smith was the founder of an odious science, denounced him as "the half-bred and half-witted Scotchman" who taught "the deliberate blasphemy"—"Thou shalt hate the Lord thy God, damn His Laws, and covet thy neighbour's goods." The same authority declares that he "formally, in the name of the philosophers of Scotland, set up this opposite God, on the hill of cursing against blessing, Ebal against Gerizim"—a God who "allows usury, delights in strife and contention, and is very particular about everybody's going to his synagogue on Sunday."[34] These three characteristics of Adam Smith's deity were unfortunately chosen; for, as it happens, he disliked usury so 183

much that he defended the laws which had vainly sought to prevent high rates of interest; disapproved vehemently of war, which he regarded as one of the deadliest enemies of human progress, and protested against the idea that a perfect Deity could possibly desire His creatures to abase themselves before Him. It is sad to think that to get his gold the Ruskinian must pass so much sand through his mind. The *Fors Clavigera*, with all its passionate intensity and high-strung emotion, is a standing warning to preachers not to abuse their masters, and to learn a subject before they teach it. Let those who climb so recklessly on Ebal deliver their curses from a safer foothold.

Perhaps what most impresses one in reading the *Wealth of Nations* is its pre-vision. The author seems to have been able to project himself into the centuries. He saw the blades of wheat as well as the tares that were springing up; and it would be hard to mention a single one of his forecasts and Utopias that has not been realised in some degree, or at least taken shape as a political project during the last century. He was, of course, above all, the precursor of Cobden and of the philosophic Radicals, who drew from him not only their economics, but their foreign and colonial policy. It is perhaps remarkable, after so fair a beginning had been made in his own lifetime, that the triumph of his doctrines was so long delayed. But most of what Shelburne, Pitt, and Eden did for commercial emancipation in the eighties was swept away by the French war. And when Napoleon fell, England was so weak, tyranny and superstition were so ground into the principles of her governing classes, that she seemed to be, in Milton's phrase, beyond the manhood of a Roman recovery. For many years Smith's disciples, and even the indefatigable Bentham, laboured almost in vain. Parliament was ignorant and bigoted. Until a great agitator arose, very little could be done; and the great agitator did not arrive quite soon enough to fulfil Pulteney's prediction that Smith would convert his own generation and rule the next.

In the early years of the nineteenth century the practical influence of Smith's teaching was felt principally in France and Germany. In France, as we have seen, Count Mollien was a professed disciple of the new economy. "It was then," he said, in reviewing the events of his youth, "that I read an English book which the disciples M. Turgot had left eulogised in the highest terms—the work of Adam Smith. I had especially remarked how warmly

the venerable and judicious Malesherbes used to speak of it—this book so disparaged by all the men of the old routine." It is perhaps the most dazzling of all Smith's posthumous triumphs, that he, through Mollien, should have been the philosophic guide of Napoleonic finance. 185

But his conquest of Germany was equally startling and momentous. The movement in that country can be directly traced to the university of Königsberg, where Kraus began to lecture on the *Wealth of Nations* in 1781. He soon gained the ears of the official class. In East Prussia, vexatious dues and taxes, with a multitude of feudal embarrassments, were removed from internal commerce, and in spite of much opposition Smith's principles spread all over Germany. By the close of the Napoleonic war the officials as well as the professional economists were converts to the new ideas. Stein and Hardenberg, two truly great reformers, led the way. Year by year commercial restrictions were removed, and though jealousy of Prussia stood in the way of complete commercial union, the North German Zollverein constituted a great advance. It removed the barriers between Prussia and the adjoining States, and reduced external duties to such an extent that in 1827 Huskisson cited the example set by Germany to prove the wisdom of abandoning a restrictive policy. Even Friedrich List, who sought for political reasons to build up a counter theory of protection for infant industries, asserted that free trade was the right policy for England and for every adult nation. List, who often wrote with a bitterness and malice that only readers of his unhappy life can excuse, admitted in his principal work "the great services of Adam Smith":—

> "He was the first to introduce successfully into political economy the analytical method. By means of this method and of an unusual sharpness of intellectual vision he illuminated the most important branches of a science, which before his time had lain in almost utter darkness. 186 Before Adam Smith there was only a policy (Praxis); his labours first made it possible to build up a science of political economy; and for that achievement he has given the world a greater mass of materials than all his predecessors and successors."

Mill's *Political Economy* is the only English treatise that can be compared with the *Wealth of Nations*. Indeed in his preface Mill challenges the comparison, but adds that "political economy, properly so-called, has grown up almost from infancy since the time of Adam Smith." He finds the *Wealth of Nations* "in many parts obsolete, and in all imperfect," and though he speaks generously enough of Adam Smith's "admirable success in reference to the philosophy of the [eighteenth] century," it is plain from this preface and from the autobiography that the later economist felt he could look down upon the earlier from the serene temples of increased knowledge and better social ideas. Mill's confidence was not only justified for the time being by unqualified success in the sense that his own book at once became, and remained for a generation, the principal text-book of English students, it was also based upon what appear at first sight to be enormous advantages. A more logical and systematic arrangement is adopted. Errors are corrected; digressions are few; and in order to attain scientific exactitude, historical illustrations from the conditions and experience of nations are replaced by more precise instances of imaginary societies labelled A, B, C. Technical terms and definitions make it easy for the student to move lightly about in an artificial atmosphere.

But in this realm of political economy, is it not well to keep a foot, or at least an eye, on the ground? In Mill's treatise there is a danger of mistaking words for things. It is never so in Smith's inquiry. He gave twenty years to a task for which Mill could hardly spare as many months. With a gift for exposition, certainly not inferior, he had what Mill had not, a love of the concrete, a faculty for the picturesque, and withal a nervous force and vigour in argument quite peculiar to himself. It has been said that Smith hunted his subject with the inveteracy of a sportsman. With a wonderful knowledge of history, law, philosophy, and letters, he combined an intuitive insight into the motives of men and the unseen mechanism of society. At the same time, by restricting his horizon to wealth and its phenomena, he was able to see how men always had acted and always would act under certain circumstances, and by what rules public finance should be governed. This is the secret of his success in making political economy queen of the useful arts, and in raising her alone among political studies to the dignity of a science. "I think," said Robert Lowe, "that Adam Smith is entitled to the merit, and the unique merit, among all men who

ever lived in the world, of having founded a deductive and demonstrative science of human actions and conduct." True, he is not a systematic writer. He does not shine, as so many inferior geniuses have shone, in the art of comparing, correlating, and harmonising the great truths which it is his glory to have discovered and illustrated. He puts us, as Lowe remarked with his usual felicity, in mind of the Sages of Ancient Greece, who, after lives of labour and study, bequeathed half a dozen maxims for the guidance of mankind.

CHAPTER X

FREE TRADE

One of the least edifying features of modern controversy, and particularly of political and economic controversy, is the habit of appealing to precedents and authorities which, if honestly cited, would militate against the opinions of the controversialist. No great writer has suffered more of late years from this species of misrepresentation than Adam Smith; yet his contemporaries and immediate successors both in England and abroad perfectly understood his drift. When Pitt and Shelburne declared themselves disciples of Smith, they thereby declared themselves free traders, and Pitt's commercial policy from 1784 to 1794 was simply an attempt to carry out Smith's views. Resolute retrenchment, customs' reform, the commercial treaty with France, reduction of debt, were all projected under the inspiration and countenance of Mr. Commissioner Smith.

Nor did the English economists, from Ricardo to Mill, ever suggest that Adam Smith had doubts about the main doctrine of his book. In France and Germany his opinions were eagerly embraced. To translate, interpret, and systematise the *Wealth of Nations* was the main function of continental economists in the early years of the nineteenth century; and its influence was seen in a rapid and radical modification of commercial policy. 189
Internal barriers were swept away, feudal restrictions abolished, and tariffs reduced. When the waves of reaction—political rather than economic—began to roll in, and "national" economists tried to reconstruct the case for protection, they paid Smith the compliment of a violent onslaught. "Smithianismus" then became a term of abuse in protectionist circles, and so remained until it was superseded by the equally cacophonous "Manchesterthum." It was in England that the idea was started of dressing up Adam Smith as a protectionist. While List was inveighing against "cosmopolitical economy," our own free traders in their agitation against the corn laws found themselves confronted with a new interpretation of their prophet. At one of the League meetings (July 3, 1844) Cobden gave a humorous description of the way in which some protectionist pamphleteers

tried to adapt Adam Smith's opinions to their own views. "They have done it in this manner: they took a passage, and with the scissors snipped and cut away at it, until by paring off the ends of sentences and leaving out all the rest of the passage, they managed to make Adam Smith appear in some sense as a monopolist. When we referred to the volume itself, we found out their tricks, and exposed them. I tell you what their argument reminds me of. An anecdote is told of an atheist who once asserted that there was no God, and said he would prove it from Scripture. He selected that passage from the Psalms which says, 'The fool hath said in his heart there is no God.' He then cut out the whole passage, except the words, 'there is no God,' and brought it forward as proof of his statement."

If these false notions about Adam Smith's economic opinions had died with the pamphlets of obscure protectionists sixty years ago, no more need have been said. But as they have been revived again and again in England, Germany, and the United States, and solemnly adopted with all the plausibility of seemingly circumstantial moderation by persons of European repute, we shall examine the passages in the original, in order to settle the question whether Smith can be made to serve as "the spiritual father" of a commercial policy not essentially different from the one his criticism destroyed.

By a policy of free trade, which Adam Smith said was the best means a statesman could adopt of promoting national wealth and commerce, he meant a policy that would relieve commerce and industry from all internal dues and all external duties or prohibitions. Anything that would bring other nations into line commanded his warm sympathy and support. But what he desired as a patriot was a policy of free imports irrespective of what other countries might do. The object of a national, as of an individual policy in trade, should be to buy in the cheapest and sell in the dearest market.[35] This will appear at once from the so-called exceptions or limitations by which Smith is supposed to have watered down what Cobden's biographer has called "the pure milk of the Cobdenic word."

The Act of Navigation is the first of "the two cases in which it will generally be advantageous to lay some burden upon foreign for the

encouragement of domestic industry."[36] But by "advantageous" 191
Smith does not mean "likely to enrich." It is a measure of defence, and is unfavourable to trade.

"The defence of Great Britain," he says, "depends very much upon the number of its sailors and shipping. The Act of Navigation, therefore, very properly endeavours to give the sailors and shipping of Great Britain the monopoly of the trade of their own country." The Act is justified as a pure measure of defence, though it aims at monopoly, and offends against the principles of free trade. Lest, however, there should be any doubt upon the point, he goes on to make it quite clear that, while he praises the Act, as he might praise the building of a man-of-war, he condemns it as an economic measure. In the passage immediately following there are two sentences which exactly give the point of view, and should help to dissipate the false impression (accepted and circulated by authorities like Hasbach, who ought to know better) that Smith's doctrines are very different from Cobden's:—

> "The Act of Navigation is not favourable to foreign commerce, or to the growth of that opulence which can arise from it.... As defence, however, is of much more importance than opulence, the Act of Navigation is, perhaps, the wisest of all the commercial regulations of England."

How completely the Navigation Act failed as a commercial measure appears from a number of passages in the *Wealth of Nations* which together completely refute the fallacy, so generally adopted by English historians, that it ruined the Dutch, enriched England, and gave her a 192
commercial and naval supremacy which she could not otherwise have achieved. Holland, he says, is richer than England; she gained the whole carrying trade of France during the late war; she still remains "the great emporium of European goods," and so forth. All that Smith claims for the Act is that it helped to secure the country a sufficient supply of seamen for the navy in time of war.

Further, as there are two cases (the necessity of defence and the propriety of countervailing an excise duty) "in which it will *generally* be advantageous to lay some burden upon foreign for the encouragement of domestic industry, so," continues Smith, "there are two others in which it may

sometimes be a matter of deliberation": in the one, how far it is proper to continue the free importation of goods from a particular foreign country; in the other, how, and how far, free importation, after it has been interrupted for some time, should be restored. The first case of doubt is that of doing evil by retaliation in order that good, in the shape of freer trade, may come. Occasionally, he writes, it may be wise to retaliate, "when some nation restrains by high duties or prohibitions" the importations of our manufactures. After giving some examples of commercial retaliation, one of which ended in war, Adam Smith lays down the cautious rule that there may be good policy in retaliations of this kind, but only where there is a probability that retaliatory duties will procure the repeal of the high duties or prohibitions complained of. "The recovery of a great foreign market will generally more than compensate the transitory inconvenience of paying dearer during a short time for some sorts of things." He leans strongly against the policy, partly because he is unwilling to trust "that insidious and crafty animal vulgarly called a statesman" to use such a weapon wisely; partly because you rarely benefit the sufferers and always injure other classes of your own citizens, than those whom you are trying to assist.

The second case of doubt was merely one of expediency—whether free trade should be introduced quickly or slowly. "In what manner the natural system of perfect liberty and justice ought gradually to be restored" Smith left to the wisdom of future statesmen and legislators to determine. But he maintained that the evils attending the remedy were usually exaggerated, and this view proved to be correct when Sir Robert Peel and Mr. Gladstone effected the transformation by five mighty strokes of the fiscal axe.

We have now examined all the passages which could give colour to the impression that Smith was only a free trader—on conditions. That part of the task is easy enough. The difficulty begins when we seek positive arguments against protective or differential taxation. The woodman of Mount Ida was not more embarrassed in choosing a tree to fell. The *Wealth of Nations* is a forest of full-grown arguments for free trade. The more one reads it, the more irresistibly is one driven to the conclusion that the science of political economy, as established in this masterpiece, is inextricably bound up with the doctrine of free trade. Every assumption and conclusion,

his criticisms of previous and existing theories, laws, customs, and opinions, his surveys of the commercial and colonial policy of Europe, all bear us directly or indirectly to the same goal. Yet there is one 194
principle which seems to take precedence in the argument. In the division of labour, Smith found a key to the growth of wealth and to the enlargement of the material comforts that are necessary to the progress of refinement and civilisation. The division of labour is therefore his starting-point, and instead of leaving it where Plato and Aristotle let it rest—a barren formula of economic society—he sets it vigorously in motion, and converts it, as it were, from a slumbering lake into a vast reservoir that irrigates and fertilises the whole plain of inquiry. And had he been confined to one argument for free trade, this is probably the one he would have adopted.

If we were asked to select that passage in the *Wealth of Nations* which gives most succinctly the broad objections to a protective policy, we should turn to the second chapter of the fourth book, "Of restraints upon the importation from foreign countries of such goods as can be produced at home." He begins by admitting that high duties or prohibitions can secure to home producers a monopoly of the home market. At that time British graziers enjoyed the monopoly of providing the home market with butcher-meat. The manufacturers of wool and silk were equally favoured, and the duties on foreign linen, for which Hume had pleaded in one of his commercial essays, had lately been raised.

Smith thereupon asks whether these protective measures, by giving an artificial direction to industry, are likely to be of general benefit to society. The first answer is that in business every man seeks his own advantage, that every man knows his own business best, and that "the study of his own advantage naturally, or rather necessarily, leads him to prefer that 195
employment which is most advantageous to society." Though intending only his own gain, he is "led by an invisible hand to promote an end which was no part of his intention." Indeed the selfish trader—the economic man, if you like—promotes the interest of society far more effectually than those who affect to trade for the public good. Is it not evident that the individual himself, though he may make mistakes, can judge best how and where to employ his own labour or capital? The

statesman or lawgiver who attempted to direct private people how to manage their business and spend their money would not only be overloaded with work, but would be assuming an authority "which could safely be trusted, not only to no single person, but to no council or senate whatever." From this consideration we pass almost insensibly into the argument from the division of labour.

> "It is the maxim of every prudent master of a family never to attempt to make at home what it will cost him more to make than to buy. The taylor does not attempt to make his own shoes, but buys them of the shoemaker. The shoemaker does not attempt to make his own clothes, but employs a taylor. The farmer attempts to make neither the one nor the other, but employs those different artificers. All of them find it for their interest to employ their whole industry in a way in which they have some advantage over their neighbours, and to purchase with a part of its produce, or what is the same thing, with the price of a part of it, whatever else they have occasion for.
>
> "What is prudence in the conduct of every private family, can scarce be folly in that of a great kingdom. If a foreign country can supply us with a commodity cheaper than we ourselves can make it, better buy it of them with some part of the produce of our own industry, employed in a way in which we have some advantage."

Capital and industry are certainly not employed to the greatest advantage when they are directed to objects which under natural conditions could be bought cheaper than they could be made. It is true, he adds, anticipating the infant industry argument of Alexander Hamilton, List, and Mill, that "by means of such regulations a particular manufacture may sometimes be acquired sooner than it could have been otherwise, and after a certain time may be made at home as cheap or cheaper than in the foreign country." But *cui bono*? Even in this case "it will by no means follow that the sum total either of its industry or of its revenue can ever be augmented by any such regulation." One immediate effect of such regulations must be to diminish the revenue of the society, "and what diminishes its revenue is certainly not very likely to augment its capital faster than it would have

augmented of its own accord had both capital and industry been left to find out their natural employments."

But though reason led him by every road to a complete system of liberty as the true end of commercial policy, he despaired of its adoption. "To expect indeed that freedom of trade should ever be entirely restored in Great Britain, is as absurd as to expect that an Oceana or Utopia should ever be established in it." Even if public prejudice were overcome, the resistance of private interests would be unconquerable. The landlords indeed had not yet acquired a strong interest in protection. At that time the home supply of wheat and oats in ordinary years was sufficient, or nearly so, for the requirements of the population, and prices were much about the same in England as in other European countries. The moving spirits of protection were master manufacturers, who, "like an overgrown standing army," had begun to intimidate the legislature.

> "The member of parliament who supports every proposal for strengthening this monopoly, is sure to acquire not only the reputation of understanding trade, but great popularity and influence with an order of men whose numbers and wealth render them of great importance. If he opposes them, on the contrary, and still more, if he has authority enough to be able to thwart them, neither the most acknowledged probity, nor the highest rank, nor the greatest public services, can protect him from the most infamous abuse and detraction, from personal insults, nor sometimes from real danger, arising from the insolent outrage of furious and disappointed monopolists."

Under these circumstances it is very surprising that Adam Smith should have chosen to submit the corn laws to so long and destructive an analysis. He seems to have foreseen that the great battle for which he was sounding the advance would ultimately rage round a question then almost academic, and that cheap food would be the keystone of the free trade argument.

After several years' experience as a customs official, Adam Smith took the opportunity in his third edition (1784) of considerably enlarging the *Wealth of Nations*; and, among other important additions, he inserted at the end of Book IV. a new chapter, entitled "Conclusion of the Mercantile System." It is a deeply instructive recital of the extremities of absurdity into which the

British legislature had suffered itself to be led blindfold by a false theory and powerful interests. The encouragement of exportation, and the discouragement of importation, were the two great engines by which the mercantile system proposed to enrich every country; but with regard to some particular commodities, it followed an opposite plan: 198
discouraging exports, and encouraging imports. Thus it penalised or prohibited the exportation of machinery, wool, and coal; nor was the living instrument, the artificer, allowed to go free. Two statutes had been passed in the reigns of George I. and II. to prevent any British artificer going abroad under penalty of being declared an alien, and forfeiting all his goods and chattels. "It is unnecessary, I imagine, to observe how contrary such regulations are to the boasted liberty of the subject, of which we affect to be so very jealous; but which, in this case, is so plainly sacrificed to the futile interests of our merchants and manufacturers." Smith is very sarcastic about regulations whose "laudable motive" was to extend British manufactures, not by improving them, but by depressing those of our neighbours, and by putting an end as much as possible to the troublesome competition of such odious rivals. He then lays down a maxim "so perfectly self-evident, that it would be absurd to attempt to prove it":—

> "Consumption is the sole end and purpose of all production; and the interest of the producer ought to be attended to, only so far as it may be necessary for promoting that of the consumer."

This golden rule was everywhere violated by the mercantile system, which seemed to consider production the ultimate object of all industry. But the worst of all its inventions was the colonial monopoly. "In the system of laws which has been established for the management of our American and West Indian colonies, the interest of the home consumer has been sacrificed to that of the producer with a more extravagant profusion than in all 199
our other commercial regulations." If there was anything more odious to Adam Smith than a protective duty, it was the discriminating or preferential duty which had been invented for the purpose of tying up the trade between Great Britain and her colonies. Both his "Utopias" were projected for the express purpose of putting an end to a colonial system which he regarded as a dead weight upon both the mother country and her dependencies.

The theory that Smith grew more protectionist as he grew older might be dismissed now that we have considered the lectures, and compared the first and third editions of the finished work. But it is possible that a very desperate casuist might still find one more plea to urge. He might say: granted that Smith remained to the last a theoretical free trader, yet he frankly admitted it to be a Utopian project, and he would not, as a responsible official, have advised its adoption. Did he not accept a Crown appointment under Lord North's protectionist administration, and did he not spend the last years of his life as a principal instrument in collecting the proceeds of a highly protectionist tariff? Nay, further, did he not take a carnal satisfaction in the leaps and bounds by which the revenue under his charge was at that time advancing? In December 1785 he wrote to William Eden:—

> "It may perhaps give that gentleman [Mr. Rose of the Treasury] pleasure to be informed that the net revenue arising from the customs in Scotland is at least four times greater than it was seven or eight years ago. It has been increasing rapidly these four or five years past, and the revenue of this year has over-leaped by at least one half the revenue of the greatest former year. I flatter myself it is likely to increase still further."

Whatever force the *argumentum ad officium* might have in a country (if such there be) where customs officials are sworn supporters of the commercial policy of the Government, it has none in reference to Great Britain, and less than none if regard be had to the circumstances of Smith's appointment. There is no reason for supposing that Lord North had any particular liking for protection, though as the instrument of the king's war policy he had an insatiable craving for revenue, and in pursuit thereof adopted, as we shall see, several taxes of a non-protective character suggested by Smith in the first edition of his treatise. Further, when the above letter was written Pitt was already, under the inspiration of this very customs official, initiating a free trade policy, and was actually preparing the great commercial treaty with France which he was to carry into effect a few months later. A patriotic Scotsman might well delight in his country's rapid recovery from the disastrous effects of the war, and the author of Pitt's policy would naturally anticipate an increase of prosperity with an expansion of imports and a growth of the revenues under his charge.

Moreover, there is happily extant a relic of the correspondence which Smith carried on as financial adviser to ministers. In the year 1778 Ireland was in a terrible plight. In addition to all the evils of a minority rule, she suffered as a whole from a commercial persecution by the predominant partner. Her trade had been deliberately and malevolently throttled by the superior legislature of Great Britain. At that time Irish wool could be exported to no country save Great Britain. Irish woollens could only be exported from specified ports in Ireland to specified ports in Great Britain. All export of Irish glass was absolutely prohibited. Worst of all, she was not allowed to send her staple article—cattle—or even salt provisions to the English market. And she was excluded from the colonial trade.

201

Even so cool a political hand as Henry Dundas (then Lord Advocate), writing to Smith at the end of October 1779, confessed that he has been shocked at the tone and temper of the House of Commons in its dealings with Ireland's prayers for elementary justice. But the Irish Parliament was now demanding free trade in tones too peremptory to be ignored, for they were backed by a threatening display of armed force. Dundas saw little objection to acceding to some of the requisitions; but he had no very clear grasp of the economics of the situation, and being in correspondence with Eden, the Secretary of the Board of Trade, he wanted an expert opinion from the Seer of Edinburgh. Smith replies that the Irish demand should be satisfied, first, because it is just; second, because it will be for the benefit of English consumers; and lastly, because English manufacturers will suffer so much less than the nation, and the national revenue, will gain. Dundas had seemed to be rather afraid that with cheaper labour and lower taxes the Irish manufacturers might be able to undersell their British competitors. Smith pointed out that they had neither the skill nor the stock [capital] to enable them to do so; "and though both may be acquired in time, to acquire them completely will require more than a century." Besides, Ireland had neither coal nor wood; "and though her soil and climate are perfectly suited for raising the latter, yet to raise it to the same degree as in England will require more than a century."

202

Before he can say precisely what the Irish Parliament means by a free trade, he must see the heads of the proposed bill. If it is only freedom to export, nothing could be more just and reasonable. If it is freedom to import,

subject only to their own customs' duties, that again is perfectly reasonable, though it would "interfere a little with some of our paltry monopolies." If they wish to be allowed to trade freely with the American and African plantations, that also should be conceded. It would interfere with some monopolies, but would do no harm to Great Britain. Lastly, they might mean to demand a free trade with Great Britain. "Nothing, in my opinion, would be more highly advantageous to both countries than this mutual freedom of trade. It would help to break down that absurd monopoly which we have most absurdly established against ourselves in favour of almost all the different classes of our own manufacturers." Dundas had hinted that the two Parliaments might be reconciled by a proper distribution of loaves and fishes. Smith did not shrink at all from promoting a good policy by what was then the ordinary method of promoting a bad policy:—

> "Whatever the Irish mean to demand in this way, in the present situation of our affairs I should think it madness not to grant it. Whatever they may demand, our manufacturers, unless the leading and principal men among them are properly dealt with beforehand, will probably oppose it. That they may be so dealt with I know from experience, and that it may be done at little expense and with no great trouble. I could even point to some persons who, I think, are fit and likely to deal with them successfully for this purpose. I shall not say more upon this till I see you, which I shall do the first moment I can get out of this Town."

A week later Smith repeated his argument with some additions and modifications in a letter of November 8th to Lord Carlisle, who then presided over the Board of Trade. He maintains that "a very slender interest of our own manufacturers is the foundation of all these unjust and oppressive restraints," and ridicules "the watchful jealousy of the monopolists, alarmed lest the Irish, who have never been able to supply completely even their own market with glass or woollen manufactures, should be able to rival them in foreign markets."

When he passes from commercial considerations to the larger aspects of freedom and good government, his wisdom is no less manifest. What Ireland most wants, he writes, are order, police, and a regular administration

of justice, both to protect and to restrain the inferior ranks of people: "articles more essential to the progress of industry than both coal and wood put together, and which Ireland must continue to want as long as it continues to be divided between two hostile nations, the oppressors and the oppressed, the Protestants and the Papists." He then points out that what the monopolists dread (the prosperity of another country) is not an evil but a good:—"Should the industry of Ireland, in consequence of freedom and good government, ever equal that of England, so much the better would it be not only for the whole British Empire, but for the particular province of England. As the wealth and industry of Lancashire does not obstruct but promote that of Yorkshire, so the wealth and industry of Ireland would not obstruct but promote that of England." For exactly the same reasons he wanted free trade with France, and with the whole world. If it is good for one man to trade freely with another, for a town with a town, and for a county with a county, how can it be otherwise than good for countries to trade freely together? An economist who strikes at the last proposition should hail Smith's humorous project of a tariff which would secure Scotland a vintage as well as a harvest.

Much more might be said upon a subject that enters into the politics of every State, and vitally affects the welfare of every struggling toiler in the universe. But the purpose of this chapter will be fulfilled if it restores to Adam Smith his identity as the protagonist in a great contest, as the champion of the right to trade with all the world, against those who stand for privileges, monopolies, and tariffs. According to Bagehot, Smith's name can no more be dissociated from free trade than Homer's from the siege of Troy. "So long as the doctrines of protection exist—and they seem likely to do so, as human interests are what they are, and human nature is what it is —Adam Smith will always be quoted as the great authority on Anti-Protectionism, as the man who first told the world the truth, so that the world could learn and believe it."

CHAPTER XI

LAST YEARS

(1776-1790)

After seeing the *Wealth of Nations* through the press, Smith lingered a few weeks in London. He was anxious to persuade Hume to come up and consult the London physicians, but Hume shrank from the journey, and implored his friend to return to Edinburgh. So about the middle of April, Smith and John Home [37] took the coach for Edinburgh. But at Morpeth, where the coach stopped, they saw Hume's servant at the door of the inn. Hume had changed his mind, and was on his way to see Sir John Pringle. Home returned with Hume to London, but Smith, hearing that his aged mother was ill, went on to Kirkcaldy. Before parting, however, the two friends carefully discussed the question of what should be done with Hume's papers in the event of his death. From a desire to avoid religious controversy and public clamour, Hume had kept by him unpublished his *Dialogues on Natural Religion*; and he now tried to persuade his friend and literary executor to edit them after his death.

But Smith resolutely declined the task. Although he had himself lectured on Natural Religion, he had warily avoided the subject in his own publications. Moreover, he was now hoping to be appointed to an office under the Crown, and such a publication would certainly be prejudicial. Hume argued that these objections were groundless: "Was Mallet anywise hurt by his publication of Lord Bolingbroke? He received an office afterwards from the present king, and Lord Bute, the most prudent man in the world, and he always justified himself by his sacred regard to the will of a dead friend." And he reminded Smith of a saying of Rochefoucauld, that "a wind, though it extinguishes a candle, blows up a fire." So he wrote from London at the beginning of May. However, he agreed to leave the question of publication entirely to Smith's discretion. "By the little company I have seen," he added, "I find the town very full of your book, which meets with general approbation." Soon afterwards Hume

changed his mind, and made Strahan his literary executor, with instructions to publish the *Dialogues* within two and a half years.

In July the two friends were again in Edinburgh, conversing together. Smith was deeply impressed by the philosophic courage, and even gaiety, with which the great sceptic faced the approach of death. In the well-known letter to Strahan,[38] that is always printed with Hume's autobiography, he mentions among other touching incidents that a certain Colonel Edmondstone paid a farewell visit to Hume, but afterwards could not forbear writing a last letter "applying to him as to a dying man the beautiful French verses in which the Abbé Chaulieu, in expectation of his own death, laments his approaching separation from his friend the Marquis de la Fare." "Mr. Hume's magnanimity and firmness were such," continued Smith, "that his most affectionate friends knew that they hazarded nothing in talking or writing to him as a dying man, and that, far from being hurt by this frankness, he was rather pleased and flattered with it."

At the end of the first week of August, Hume had now become so very weak that the company of his most intimate friends fatigued him:—

> "At his own desire, therefore, I agreed to leave Edinburgh, and returned to my mother's house here at Kirkcaldy, upon condition that he would send for me whenever he wished to see me; the physician who saw him most frequently, Dr. Black, undertaking in the meantime to write me occasionally an account of the state of his health."

The correspondence which followed marks the close of a deep, unbroken, and memorable attachment. On August 15th Hume's anxiety for the *Dialogues* revived: "On revising them (which I have not done these five years) I find that nothing can be more cautiously and more artfully written. You had certainly forgotten them. Will you permit me to leave you the property of the copy, in case they should not be published in five years after my decease? Be so good as write me an answer soon." On the 22nd Smith replied:—

> "I have this moment received yr. letter of the 15th inst. You had, in order to save me the sum of one penny sterling, sent it by the carrier instead of the Post, and (if you have not mistaken the date) it has lain at his quarters these eight days, and was, I presume, very likely to lie there for ever."

Then, after reassuring Hume about the *Dialogues*, he continued:—

> "If you will give me leave I will add a few lines to yr. account of your own life, giving some account in my own name of your behaviour in this illness, if, contrary to my own hopes, it should prove your last. Some conversations we had lately together, particularly that concerning your want of an excuse to make to Charon, the excuse you at last thought of, and the very bad reception wh. Charon was likely to give it, would, I imagine, make no disagreeable part of the history. You have in a declining state of health, under an exhausting disease, for more than two years together now looked at the approach of death with a steady cheerfulness such as very few men have been able to maintain for a few hours, tho' otherwise in the most perfect Health. I shall likewise, if you give me leave, correct the sheets of the new edition of your works, and shall take care that it shall be published exactly according to your last corrections. As I shall be at London this winter, it will cost me very little trouble."

But "the cool and steady Dr. Black" still gave him some hopes of his friend's recovery. On the following day Hume dictated a brief answer to this letter, explaining that he had only taken an extra precaution in case anything might happen to Strahan. "You are too good," he added, "in thinking any trifles that concern me are so much worthy of your attention, but I give you entire liberty to make what additions you please to the account of my life."

Two days afterwards Hume died, and was buried in Calton Cemetery. Smith did not like the round tower erected under a provision of the will to mark the grave—"it is the greatest piece of vanity I ever saw in my friend Hume." By the will a legacy of £200 and copies of all Hume's published works were left to him; but he stoutly refused to accept the money, as he had ceased to be executor, although he had no thought of relinquishing his promise to edit Hume's life and works. "I have added," he wrote to Hume's brother (Kirkcaldy, October 7th), "at the bottom of my will the note

discharging the legacy of £200 which your brother was so kind as to leave me. Upon the most mature deliberation I am fully satisfied that in justice it is not due to me. Tho' it should be due to me therefore in strict law, I cannot with honour accept of it." 209

A month earlier he had written to Strahan from Dalkeith, where he was staying with the Duke of Buccleuch, a careful explanation of Hume's will and last wishes. "Both from his will and from his conversation I understand that there are only two [manuscripts] which he meant should be published —an account of his life, and *Dialogues concerning Natural Religion*. The latter, tho' finely written, I could have wished had remained in manuscript to be communicated only to a few friends. I propose to add to his Life a very well authenticated account of his behaviour during his last illness."

Smith's addition to Hume's autobiography took the form of a letter to Strahan giving an account of Hume's last illness, concluding with the words: "Upon the whole, I have always considered him both in his lifetime and since his death as approaching as nearly to the idea of a perfectly wise and virtuous man, as perhaps the nature of human frailty will permit." This warm-hearted and eloquent, but surely extravagant eulogy of the "virtuous heathen," created precisely the kind of popular clamour that Smith had been so anxious to avoid. Strahan liked the addition exceedingly; but as this and the autobiography together were too short to make even a tiny volume, he wrote back, good publisher that he was:—

> "I have been advised by some very good judges to annex some of his letters to me on political subjects. What think you of this? I will do nothing without your advice and approbation, nor would I for the world publish any letter of his but such as in your opinion would do him honour. Mr. Gibbon thinks such as I have shown him would have that tendency. Now if you approve of this in any manner, you may perhaps add partly to the collection from your own cabinet and those of Mr. John Home, Dr. Robertson, and others of your mutual friends which you may pick up before you return hither. But if you wholly disapprove of this scheme, say nothing of it, here let it drop, for without your concurrence I will not publish a single word of it." 210

A decisive reply came at once from Kirkcaldy. It gives a peremptory judgment—quite against the drift of modern opinion—upon what will always be a case for the casuist:—

> "I am sensible that many of Mr. Hume's letters would do him great honour, and that you would publish none but such as would. But what in this case ought principally to be considered is the will of the Dead. Mr. Hume's constant injunction was to burn all his Papers except the *Dialogues* and the account of his own life. This injunction was even inserted in the body of his will. I know he always disliked the thought of his letters ever being published. He had been in long and intimate correspondence with a relation of his own who dyed a few years ago. When that gentleman's health began to decline he was extremely anxious to get back his letters, least the heir should think of publishing them. They were accordingly returned, and burnt as soon as returned. If a collection of Mr. Hume's letters besides was to receive the public approbation, as yours certainly would, the Curls of the times would immediately set about rummaging the cabinets of all those who had ever received a scrap of paper from him. Many things would be published not fit to see the light, to the great mortification of all those who wish well to his memory. Nothing has contributed so much to sink the value of Swift's works as the undistinguished publication of his letters; and be assured that your publication, however select, would soon be followed by an undistinguished one. I should therefore be sorry to see any beginning given to the publication of his letters. His life will not make a volume, but it will make a small pamphlet."

The nervous objection felt by Hume and Smith to the publication of correspondence or of any manuscript not carefully considered by the writer, and intended by him for publication, may be overstrained; but perhaps this generation errs as much in its anxiety to penetrate the privacy of the dead as they did in wishing to destroy everything that was incomplete, or too easy, intimate, and negligent—as they thought—for the eye of a critical posterity.

Fortune now played our provident philosopher one of her most insolent tricks. When the dreaded *Dialogues* appeared, they fell perfectly flat; but the letter to Strahan excited, as Mr. Rae says, "a long reverberation of angry

criticism." His words, few and simple, but warm with the glow of friendship, "rang like a challenge to religion itself." Pamphlets poured forth, the cleverest of which, "A Letter to Adam Smith, LL.D., on the Life, Death, and Philosophy of David Hume, Esquire, by one of the People called Christians," was still being printed and circulated for edification by the Religious Tract Society in the thirtieth year of the nineteenth century. Its anonymous author, Dr. George Horne, President of Magdalen College, Oxford, proclaimed that no unbeliever could be virtuous or charitable, and charged Smith as well as Hume with the atrocious wickedness of diffusing atheism through the land. "You would persuade us," he cried, "by the example of David Hume, Esq., that atheism is the only cordial for low spirits and the proper antidote against the fear of death; but surely he 212
who can reflect with complacency on a friend thus employing his talents in this life, and thus amusing himself with Lucian, whist, and Charon at his death, can smile over Babylon in ruins, esteem the earthquakes which destroyed Lisbon as agreeable occurrences, and congratulate the hardened Pharaoh on his overthrow in the Red Sea."

Smith made no answer to this attack, for which the author was afterwards rewarded by a Bishopric. After Christmas, when his mother's health allowed him to leave her, he travelled to London, and early in January 1777 he had taken lodgings in Suffolk Street, near the British Coffee House, and was busy preparing his second edition of the *Wealth of Nations*, a reprint, with corrections and two additional pages. In March he was at a dinner of the Literary Club with Gibbon, Garrick, Reynolds, Johnson, Burke, and Fox. Mr. Rae thinks he remained most of the year in London, and probably he had some intercourse with Lord North and other members of the Government. At any rate Lord North, who had studied Smith's chapters on taxation to more purpose than his chapters on expenditure and policy, borrowed two of his ideas in the Budget of 1777—for he laid taxes on men-servants and on property sold by auction.[39] Smith was back in Edinburgh by the end of this year, and there heard from Strahan that he had been appointed by Lord North one of the Commissioners of the Customs 213
in Scotland. In the middle of January he writes from Kirkcaldy to Strahan, requesting him to send two copies of the second edition of the *Wealth of Nations*, "handsomely bound and gilt, one to Lord North, the other to Sir Gray Cooper," and adds, "I believe that I have been very highly

obliged to him [Cooper] in this business."[40] The Commissionership was worth £600 a year, and Smith at once proposed to relinquish his pension; but the Duke of Buccleuch would not hear of it.

Early in 1778 Smith removed to Edinburgh. He was now in the enjoyment of a certain income of £900 a year apart from the considerable sums which he derived from the sale of his books. He took Panmure House in the Canongate, not far from the deserted palace of Holyrood—a fashionable quarter where some of the Scottish nobility, forsaken by King and Court, still kept their town houses. Panmure House is now a dismantled store; and it needs some imagination to realise how Windham, accustomed to London palaces, should have called it "magnificent," as he looked from its newly painted windows and plastered walls "over the long strip of terraced garden on to the soft green slopes of the Calton."[41]

The rent was probably very nearly £20 a year. But Smith was one of the richest men in Edinburgh, and felt, no doubt, that he could well afford to take one of the best houses in the city. To share and crown his happiness he brought his mother, his cousin Miss Douglas, and her nephew, a schoolboy David Douglas (afterwards Lord Strathendry), whom he made his heir. From Panmure House "Mr. Commissioner Smith" walked every day to his official duties in Exchange Square, attired in a light-coloured coat, white silk stockings, and a broad-brimmed hat, holding a cane at his shoulder as a soldier carries a musket. He used to turn his head gently from side to side as he walked, and swayed his body "vermicularly," as if at every other step he meant to alter his direction or even to turn back.[42] His lips often moved, and he would smile like one conversing with an invisible companion. He was not always unaware of his surroundings, and was fond of relating how a market woman in the High Street took him for a well-to-do lunatic. "Hech, sirs!" she cried, "to let the like of him be about! And yet he's weel enough put on!"

His letters show that he was very regular in attending to his duties at the Customs, which indeed were important in themselves, and not unattractive to one who took so deep an interest in the art of revenue and the growth of wealth. The duties of the Commissioners were administrative and judicial.

Sometimes they had to despatch soldiers to guard part of the coast against smugglers, or to put down an illegal still. They heard merchants' appeals from assessments; they appointed and controlled the local officers, and every year they prepared returns of customs' revenue and expenditure. There is good reason to think that he found his work congenial, though Dugald Stewart, who always grows morbid at the thought of any check to the output of philosophic literature, laments that these duties, "though they required little exertion of thought, were yet sufficient to waste his spirits and dissipate his attention," and that the time they consumed was not employed in labours more profitable to the world and more equal to his mind. During the first years of his residence in Edinburgh "his studies seemed to be entirely suspended, and his passion for letters served only to amuse his leisure and to animate his conversation." This young mentor often caught our misguided veteran wasting precious time in his library with Sophocles or Euripides, and would be told that re-acquaintance with the favourites of one's youth is the most grateful and soothing diversion of old age. Let us forgive, and more than forgive, the tired economist, who disapproved that care, though wise in show,

> "That with superfluous burden loads the day,
> And, when God sends a cheerful hour, refrains."

It is indeed to be wished that the notes on Jurisprudence could have been worked up into an ample study after the manner of Montesquieu's *Spirit of the Laws*; but probably all that would have been gained by retirement would have been the publication of his lectures on *belles lettres*; and it is certain that some of the most instructive additions to the *Wealth of Nations* could never have been written, had Smith declined the office of Commissioner.

At any rate, a problematical loss to the world was a great gain to Edinburgh. Smith, though personally the most frugal, was also the most hospitable, genial, and charitable of men. Hume's death, indeed, left a gap that could not be filled. But every city in Europe might still envy Edinburgh her Republic of Letters. Robertson the historian, who formed with Hume and Gibbon what Gibbon proudly called the Triumvirate, and Adam Ferguson, a little jealous at this time of his greater rival, lived outside the town. Black, too, who had taken Hume's place as Smith's dearest living

friend, had what was in those days a country house, now the Royal Blind Asylum in Nicolson Street. Kames, Hailes, and Monboddo, Sir John Dalrymple and Dugald Stewart, and many other minor celebrities, lived close at hand. Smith seems to have kept something like open house. His Sunday suppers were remembered long after his death, and many distinguished visitors to Edinburgh enjoyed the hospitality of Panmure House.

He loved good conversation. In Glasgow and in London he had belonged to several dining-clubs, and he now helped to found another. Swediaur, a Parisian doctor, wrote from Edinburgh in 1784 to Jeremy Bentham: "we have a club here which consists of nothing but philosophers." They met every Friday at two o'clock in a Grassmarket tavern, and the Frenchman found it "a most enlightened, agreeable, cheerful, and social company." Smith, Black, and Hutton, the fathers of the three modern sciences of political economy, modern chemistry, and modern geology, were the illustrious founders of this society. All three, wrote another member, Professor John Playfair, had enlarged views and wide information, "without any of the stateliness which men of letters think it sometimes necessary to affect; ... and as the sincerity of their friendship had never been darkened by the least shade of envy, it would be hard to find an example where everything favourable to good society was more perfectly united, and everything adverse more entirely excluded." Henry Mackenzie, who wrote the *Man of Feeling*, and Dugald Stewart were also members.

The club was called the Oyster Club, though Hutton was an abstainer, Black a vegetarian, and Smith's only extravagant taste was for lump sugar.

"We shall never," wrote Sir Walter Scott in some recollections of these "old Northern Lights," which appeared in an early number of the *Quarterly Review*, "forget one particular evening when he [Smith] put an elderly maiden lady who presided at the tea-table to sore confusion by neglecting utterly her invitation to be seated, and walking round and round the circle, stopping ever and anon to steal a lump from the sugar basin, which the venerable spinster was at length constrained to place on her own knee, as the only method of securing it from his uneconomical depredations. His appearance mumping the eternal sugar was something indescribable." Sir

Walter was a schoolfellow of young David Douglas; and the incident no doubt took place in Panmure House, where Miss Douglas would naturally preside at the tea-table.

Scott had a vivid recollection of Black and Hutton. The former used the English pronunciation, and spoke with punctilious accuracy of expression. He wore the formal full-dress habit then imposed on members of the medical faculty. Dr. Hutton's dress had the simplicity of a Quaker's, and he used a broad Scotch accent which often heightened his humour. Sir Walter told an amusing anecdote which may, perhaps, explain why the dining society, founded by the three philosophers, was called the Oyster Club. It so chanced that Black and Hutton had held some discourse together upon the folly of abstaining from feeding on the crustaceous creatures of the land, when those of the sea were considered as delicacies. Snails were known to be nutritious and wholesome, even "sanative" in some cases. The epicures of ancient Rome enumerated the snails of Lucca among the richest and rarest delicacies, and the modern Italians still held them in esteem. So a gastronomic experiment was resolved on. The snails were procured, dieted for a time, then stewed.

> "A huge dish of snails was placed before them; but philosophers are but men after all; and the stomachs of both doctors began to revolt against the proposed experiment. Nevertheless if they looked with disgust on the snails, they retained their awe for each other; so that each, conceiving the symptoms of internal revolt peculiar to himself, began with infinite exertion to swallow, in very small quantities, the mess which he loathed. Dr. Black at length 'showed the white feather,' but in a very delicate manner, as if to sound the opinion of his messmate. 'Doctor,' he said in his precise and quiet style, 'Doctor, do you not think that they taste a little—a very little green?' 'D——d green, d——d green indeed!—tak' them awa', tak' them awa'!' vociferated Dr. Hutton, starting up from table and giving full vent to his feelings."

One of Smith's younger friends was John Sinclair, a Scotch laird of much ability and immense industry, whose *History of the Public Revenue* is still a standard work. It owed much to the *Wealth of Nations*; for when Smith saw how competent Sinclair was, he helped him in every possible way. In 1777

he dissuaded the young man from printing a pamphlet against the Puritanical observance of the Sabbath, saying, "Your work is very ably written, but I advise you not to publish it; for rest assured that the Sabbath as a political institution is of inestimable value independently of its claim to divine authority." Late in the following year, when Sinclair brought him the news of Saratoga, and declared that the nation must be ruined, Smith answered coolly, "Be assured, my young friend, that there is a great deal of ruin in a nation." About the same time he let Sinclair have the use (so long as he did not take it out of Edinburgh) of his own much-prized copy of the *Mémoires concernant les Impositions*, a contemporary survey of European systems of taxation, which he had obtained "by the particular favour of Mr. Turgot, the late Comptroller-General of the Finances." In one of his letters to Sinclair he expressed his dislike of "all taxes that may affect the necessary expenses of the poor."

219

> "They, according to different circumstances, either oppress the people immediately subject to them, or are repaid with great interest by the rich, *i.e.* by their employers in the advanced wages of their labour. Taxes on the *luxuries* of the poor, upon their beer and other spirituous liquors, for example, as long as they are so moderate as not to give much temptation to smuggling, I am so far from disapproving, that I look upon them as the best of sumptuary laws."[43]

Sinclair, who had entered Parliament in 1780, discussed foreign policy with Smith in the autumn of 1782, soon after the surrender at Yorktown, when the fortunes of Great Britain had sunk to their lowest ebb. The American colonies were lost; Ireland was almost in revolt; Gibraltar was besieged by the Spanish and French fleets; and the Northern powers were arrayed in an unfriendly armed neutrality. Sinclair had drafted a tract suggesting that we should seek to draw the Northern powers into an alliance against the House of Bourbon by offering them a share in our colonial monopoly. Again Smith advised his young friend not to go into print. The proposal, he thought, would not find favour with the neutrals, and there seemed to be a moral inconsistency in the argument. "If it be just to emancipate the continent of America from the dominion of every European power, how can it be just to subject the islands to such dominion; and if the

220

monopoly of the trade of the continent be contrary to the rights of mankind, how can that of the islands be agreeable to those rights?"

In the following year peace was concluded with America and France; and the Prime Minister boasted to Morellet that all the treaties of that year were inspired by "the great principle of free trade."

The necessity for resuming commercial intercourse with the United States raised in an acute form the problem of the colonial monopoly. Should the States be allowed to trade with Canada on the same terms as with Great Britain? William Eden (afterwards Lord Auckland) was afraid of abandoning the differential principle, and in his perplexity wrote to Smith, who replied that if the Americans really meant to subject the goods of all nations to the same import duties, they would "set an example of good sense which all other nations ought to imitate." He had little anxiety—and his confidence was completely justified by the event—about the loss of the American monopoly. "By an equality of treatment of all nations, we might soon open a commerce with the neighbouring nations of Europe infinitely more advantageous than that of so distant a country as America." As he hopes to see Eden in a few weeks' time, he will not write a tedious dissertation, but contents himself with saying that "every extraordinary, either encouragement or discouragement, that is given to the trade of any country, more than to that of another, may, I think, be demonstrated to be in every case a complete piece of dupery, by which the interest of the State and the nation is constantly sacrificed to that of some particular class of traders." He ends with warm praise of the East India Bill, and of the decisive judgment and resolution with which it had been introduced and triumphantly carried through the House of Commons by Fox.[44]

It is worth while here to note Smith's steady devotion to Fox and Burke, who represented the Rockingham branch of the Whig party. He was faithful found among innumerable false, for he approved alike of Fox's resignation in 1782 rather than serve under Shelburne, and of his fatal coalition with Lord North in the following year.[45] It may seem strange to those who think of Adam Smith only as the founder of free trade that he should have been a

Foxite, and especially that he should have remained one in the last decade of his life, when commercial questions were uppermost, and when Shelburne first, and then Pitt, set themselves to translate the *Wealth of Nations* into laws and treaties. But, as we have tried to show, he never allowed economical considerations to weigh in the scale with political liberty; and the clue to his distrust of Shelburne and Pitt is his dislike of the King as a corrupter of politics, and of the Court as a corrupter of morals. Shelburne and Pitt exalting the King and the executive would have depressed the House of Commons. Rockingham, Fox, and Burke sought manfully, and not unsuccessfully, so to maintain and glorify constitutional usages as to check and limit the power of the King. This single consideration was enough to determine the allegiance of a truly republican heart.

222

Burke, moreover, was in every way a sympathetic figure. His measure of economical reform had docked the resources of patronage, and sensibly relieved the burdens of the taxpayer. And his views about commercial liberty coincided with Smith's own. About this time a happy chance brought the two friends together. In the autumn of 1783 Burke was elected Lord Rector of the University of Glasgow, and early in the following April, during the general election which overwhelmed the Whigs, Burke, having saved his own seat at Malton, paid a visit to Scotland. He stayed a few days in Edinburgh, and then, accompanied by Adam Smith, Lord Maitland, and others, went on to Glasgow to be installed in his new office. On the day of their arrival (Friday, April 9) they supped with that stalwart Whig, John Millar, the Professor of Law. On Sunday, Smith and Maitland took Burke to see Loch Lomond, and made their way back by Carron to Edinburgh, which they reached on the following Wednesday. Next day Burke, with a company of Smith's Edinburgh friends, dined at Panmure House. On Friday the great orator returned to England extremely pleased by his reception in Scotland, and leaving behind him many friends and admirers. One of these has preserved some particulars of the visit. "Smith, Dugald, and I," wrote Dalzel, "had more of his company than anybody in this country, and we got a vast deal of political anecdote from him and fine pictures of political characters both dead and living." Burke advised Lord Maitland, if he had ambition and wanted office, to abandon the Whig party. "Shake us off: give us up." Smith said cheerfully that "in two years things

[46]

223

would come about again." "Why," cried Burke, "I have already been in a minority nineteen years, and your two years, Mr. Smith, will make me twenty-one years, and it will surely be high time for me then to be in my majority!"

Before the end of May a dark cloud came over Smith's life, for his mother passed away in her ninetieth year. Four years later her death was followed by that of his cousin, Miss Douglas. Their loss was irreparable. "They had been the objects of his affection for more than sixty years, and in their society he had enjoyed from his infancy all that he ever knew of the endearments of a family."[47]

Late in the autumn of 1784 Faujas de Saint-Fond, the geologist, visited Edinburgh after some adventurous discoveries in the Hebrides. During his fortnight's stay "that venerable philosopher Adam Smith" was one of those whom he visited most frequently. "He received me on every occasion in the kindest manner, and studied to procure for me every kind of information and amusement that the town afforded." Smith's library, he says, bore evidence of his tour in France and his stay in Paris. "All our best French authors occupied prominent places on his shelves. He was very fond of our language."

On one occasion when Saint-Fond was at tea in Panmure House, Smith spoke of Rousseau "with a kind of religious respect," and compared him with Voltaire. "The latter," he said, "sought to correct the vices and follies of mankind by laughing at them, and sometimes by treating them with severity; but Rousseau catches his reader in the net of reason by the attraction of sentiment and the force of conviction. His *Social Contract* may well avenge him one day for all his persecutions." Smith's features became very animated when he spoke of Voltaire, "whom he had known and greatly loved."

One day Adam Smith asked his visitor if he liked music, and said, on hearing that he did: "I am very glad of it; I shall put you to a proof which will be very interesting for me, for I shall take you to hear a sort of music of which it is impossible you can have formed any idea, and I shall be delighted to find how it strikes you." The annual bagpipe competition was

to take place next day, and Smith came to Saint-Fond's lodgings next morning at nine o'clock, and conducted him to a spacious concert-room full of people; but neither musicians, nor orchestra, nor instruments were to be seen. A large space was reserved in the middle of the room and occupied by gentlemen only, who, said his guide, were Highlanders come to judge of the performances. The prize was for the best executed piece of Highland music, and the same air was to be played successively by all the competitors. After some delay a door opened and a kilted Highlander advanced into the hall:— 225

> "He walked up and down the vacant space with rapid steps and a martial air, blowing his bagpipes. The tune was a kind of sonata divided into three parts. Smith requested me to pay my whole attention to the music, and to explain to him afterwards the impression it made upon me. But I confess that at first I could not distinguish either air or design in the music. I was only struck with a piper marching backward and forward with great rapidity, and still presenting the same warlike countenance. He made incredible efforts with his body and his fingers to bring into play the different reeds of his instrument, which emitted sounds that were to me almost insupportable. He received much applause from all parts of the hall."

Then came a second piper, who seemed to excel the first, judging from the clapping and cheers. Having heard eight in succession, the Professor began to discover that the first part represented a warlike march, the second a battle, and the last part the wailing over the slain—which drew tears from the eyes of many fair ladies in the audience. The *séance* ended with a "lively and animated dance, accompanied by suitable airs, though the union of so many bagpipes produced a most hideous noise." The Frenchman's verdict was highly unfavourable. He concluded that the pleasure given by the music was due to historical associations. Though he admired the impartiality of the audience and judges, who showed no special favour even to a laird's son unless he played well, he could not himself admire the artists. "To me they were all equally disagreeable. The music and the instrument alike reminded me of a bear's dance."[48] 226

Burke revisited Glasgow in August 1785. Windham was with him. They stopped on their way in Edinburgh and dined with Smith—Robertson, Henry Erskine, and Dr. Cullen being among the guests. On September 13th, when they returned to Edinburgh, Windham makes this entry in his diary: "After dinner walked to Adam Smith's. Felt strongly the impression of a family completely Scotch. House magnificent and place fine." They stayed one more day in Edinburgh, and dined at Panmure House. Burke found time to visit John Logan, the author of the lovely *Ode to the Cuckoo*. Dr. Carlyle says that Smith was "a great patron" of this persecuted poet; and when Logan was hounded out of the ministry, and went to London to seek a living by his pen, he took a letter of introduction from Smith to Andrew Strahan the publisher, who was about to issue a fourth edition of the *Wealth of Nations*. [49]

In the following year (1786) Smith was suffering much from ill-health, but his mind and pen were busy. T. Christie, Nichols's Edinburgh correspondent, informed his friend in August that Dr. Smith was writing "the history of Moral Philosophy." This may only mean that he was engaged in preparing the enlarged (6th edition) of the *Moral Sentiments*; for in a letter to the Duke of Rochefoucauld that recently came to light, dated November 1, 1785, he speaks of an edition of the *Theory* "which I hope to execute before the end of the ensuing winter." But it may refer to one of two much larger and more ambitious schemes which he goes on to mention in the same letter: "I have likewise two other great works upon the anvil; the one is a sort of philosophical history of all the different branches of literature, of philosophy, poetry, and eloquence; the other is a sort of theory and history of law and government. The materials of both are in a great measure collected, and some part of both is put into tolerable good order. But the indolence of old age, though I struggle violently against it, I feel coming fast upon me, and whether I shall ever be able to finish either is extremely uncertain." At the same time he was in correspondence with William Eden, whom he was helping to refute Dr. Price's alarmist theories about the decrease of the population.

In the spring of 1787 he went to London, partly to consult John Hunter, Sir William's younger brother, partly perhaps from curiosity to see the boy Premier, who was so rapidly and skilfully carrying out his fiscal policy. Pitt

had just carried Smith's favourite project of a commercial treaty with France, and was now engaged in the far more laborious task of simplifying the chaos of customs and excise rates in a gigantic Consolidation Bill. The economist had many conferences with the statesman. It is said that he was much with the ministry; and that the clerks of the public offices had orders to furnish him with all papers, and to employ if necessary additional hands to copy for him. One incident has been preserved that is worth recording. At a dinner given by Dundas, Smith came in late, and the company rose to receive him. He begged them to be seated. "No," said Pitt, "we will stand till you are seated, for we are all your scholars." On another occasion, finding himself next to Addington, he exclaimed: "What an extraordinary man Pitt is; he understands my ideas better than I do myself!" He stayed several months in London, and though his disorders did not admit of cure, the physicians operated with success, and pronounced in July that he "might do some time longer."

228

At the end of this month Thomas Raikes had a talk with him about the Sunday-school movement, and was much delighted by the old man's enthusiastic approval: "No plan has promised to effect a change of manners with equal ease and simplicity since the days of the Apostles." But towards another philanthropic scheme, for planting fishing-villages along the Highland coast, he displayed, wrote Wilberforce, "a certain characteristic coolness," observing that "he looked for no other consequence from the scheme than the entire loss of every shilling that should be expended on it, granting, however, with uncommon candour, that the public would be no great sufferer, because he believed the individuals meant to put their hands only in their own pockets." Mr. Rae, who has traced the scheme down to 1893 when it was finally wound up, shows that the shareholders lost half their original capital of £35,000, and wasted besides £100,000 of taxpayers' money, which a foolish Government improvidently provided for one of their ill-conceived projects. After all, philanthropy cannot afford to neglect the cool precepts of political economy, nor is moral fervour the worse for a pinch of common sense. In November, having returned to Edinburgh, he heard with "heartfelt joy" the news that he had been elected Rector of his old University, and he was installed in the following month. "No preferment," he wrote in a graceful letter of thanks, "could have given me so much real satisfaction."

229

> "No man can own greater obligations to a Society than I do to the University of Glasgow. They educated me, they sent me to Oxford, soon after my return to Scotland they elected me one of their own members, and afterwards preferred me to another office to which the abilities and virtues of the never-to-be-forgotten Dr. Hutcheson had given a superior degree of illustration. The period of thirteen years which I spent as a member of that Society, I remember as by far the most useful and therefore as by far the happiest and most honourable period of my life; and now, after three-and-twenty years' absence, to be remembered in so very agreeable a manner by my old friends and protectors gives me a heartfelt joy which I cannot easily express to you."

A year later, the death of his cousin, Miss Jane Douglas, left him, says Stewart, "alone and helpless," and though he bore his loss bravely, and regained apparently his former cheerfulness, yet his health and strength gradually declined, until in the summer of 1790 he passed away. A few particulars have been preserved of these last two years by those who enjoyed his friendship and hospitality; but of his correspondence there is only a short letter thanking Gibbon, with whom he had long been on very affectionate terms, for the last three volumes of the *Decline and Fall*. "I cannot," he writes, "express to you the pleasure it gives me to find that by the universal consent of every man of taste and learning whom I either know or correspond with, it sets you at the very head of the whole literary tribe at present existing in Europe."[50] In July 1789, Samuel Rogers, then a young man of twenty-three, came to Edinburgh with an introduction to Adam Smith from Price. On the morning after the storming of the Bastille he called on the economist, and found him breakfasting, with a dish of strawberries before him. Smith said they were a northern fruit, at their best in Orkney and Sweden. The conversation passed to Edinburgh, its high houses, dirt, and overcrowding. Smith spoke slightingly of the old town, and said he would like to remove to George Square. Then he talked of the scenery, soil, and climate of Scotland, and of the corn trade, which led him to denounce Pitt's Government for refusing to supply France with a quantity of corn so small that it would not have fed Edinburgh for one day.

He invited Rogers to dine with him next day at the Oyster Club; but a tedious laird (brother of the Thibetan traveller) monopolised the

conversation. "*That* Bogle," said Smith afterwards, apologetically, "I was sorry he talked so much. He spoiled our evening." Next Sunday Smith took an airing in his sedan chair, while his young friend went to hear Robertson and Blair preach. At nine o'clock, Blair having concluded, Rogers supped at Panmure House, and found the Oyster Club *minus* Bogle and *plus* a gentleman from Göttingen. The conversation was personal, and 231
perhaps the only item now worth recalling is Smith's reason for identifying Junius with "Single Speech Hamilton." Hamilton once told the Duke of Richmond at Goodwood—the story came to Smith from Gibbon—of "a devilish keen letter" from Junius in that day's *Public Advertiser*. But when the Duke got the paper he found not the letter, but an apology for its non-appearance; after this Hamilton was suspected of the authorship, and no more Junius was published. The inference Smith drew was that so long as suspicion pointed to the wrong man the letters continued to appear, and only stopped when the true author was named. Next day Rogers again dined with Smith, and Henry Mackenzie told them stories of second-sight. Hutton came in to tea, and then they went on to a meeting of the Royal Society to hear a paper by Dr. James Anderson on "Debtors and the Revision of the Laws that respect them." Rogers says it was portentously long and dull. "Mr. Commissioner Smith fell asleep, and Mackenzie touched my elbow and smiled." Altogether Rogers gives us a very pleasing picture of a serene and bright old age. "He is a very friendly, agreeable man, and I should have dined and supped with him every day if I had accepted all his invitations." He did not notice any trace of absentmindedness, but thought that, compared with Robertson, Smith was a man of the world.

In the same summer William Adam, a nephew of the architect, conversed with Smith upon Bentham's letters on usury. The economist is reported to have said that "the *Defence of Usury* was the work of a very superior man, and that though he had given him some hard knocks, it was done in 232
so handsome a way that he could not complain."[51] It is quite possible that had Smith lived to see another edition of the *Wealth of Nations* through the press, he would have responded to Bentham's invitation by admitting the futility of fixing interest by law. But at this time he was still busy with the sixth edition of the *Moral Sentiments*, which at last appeared early in the following year. In the preface he referred to the promise he had made in 1759 of a treatise on Jurisprudence. That promise had been

partially fulfilled in the *Wealth of Nations*; but what remained, the theory of Jurisprudence, he had hitherto failed to execute. “Though my very advanced age leaves me,” he acknowledged, “very little expectation of ever being able to execute this great work to my own satisfaction, yet, as I have not altogether abandoned the design, and as I wish still to continue under the obligation of doing what I can, I have allowed the paragraph to remain as it was published more than thirty years ago, when I entertained no doubt of being able to execute everything which it announced.” 233

These words were probably written late in the year 1789. In February 1790 he told Lord Buchan, “You will never see your old friend any more. I find that the machine is breaking down.” From this time he rapidly wasted away, and in June his friends knew, as well as he did, that there was no hope of recovery. His intellect remained perfectly clear, and he bore his sufferings with the utmost fortitude and resignation.

But he could not be easy about his papers. In 1773, when he consigned their care to Hume, he had instructed him to destroy without examination all his loose manuscript, together with about eighteen thin paper folio books containing his lectures. When he went to London in 1787 he had given similar instructions to Black and Hutton. Now that he had become very weak, and felt that his days were numbered, he spoke again to them on the same subject. They entreated him to make his mind easy, as he might depend upon their fulfilling his desire. He was satisfied for a time. But some days afterwards—this is Hutton’s account—finding his anxiety not entirely removed, he begged one of them to destroy the volumes immediately. This accordingly was done; and his mind was so much relieved that he was able to receive his friends in the evening with his usual cheerfulness. They had been used to sup with him every Sunday, and that evening there was a pretty numerous company of them. The old man not finding himself able to sit up with them as usual, retired to bed before supper; and as he went away took leave of his friends by saying, “I believe we must adjourn this meeting to some other place.” He died a very few days afterwards, on July the 17th, 1790, and was buried in the Canongate Churchyard, in an obscure spot which must have been overlooked by some of the windows of Panmure House. 234

In his will he had made his cousin, David Douglas (the youngest son of Colonel Douglas of Strathendry), his heir, with instructions to dispose of his manuscripts in accordance with the advice of Black and Hutton.

A small but choice library of four or five thousand volumes, and a simple table, to which his friends were always welcome without the formality of an invitation, were, says Dugald Stewart, "the only expenses that could be considered his own." His acts of private generosity, though sedulously concealed, were on a scale "much beyond what might have been expected from his fortune," and those who knew only of his frugality were surprised to find how small, in comparison with the income he had long enjoyed, was the property he left behind him.

His friends were indignant that the death of so great a thinker made but little stir. They might have been consoled had they been able to look forward twenty years, and read a letter which a German student, Alexander von der Marwitz, wrote to a friend on reading the *Wealth of Nations*. It was on the eve of Jena, and the form of Napoleon stood out a gigantic menace to all that the young patriot held dear. Yet he did not hesitate to compare the victorious author with the conqueror of Europe. "Next to Napoleon he is now the mightiest monarch in Europe."

In the emancipation of thought and dispersion of knowledge which mark the century that divides the English from the French Revolution, Adam Smith takes his place in the order of time after Locke, Montesquieu, Newton, and Voltaire, with Hume, Rousseau, Diderot, Turgot, and Burke. With all of them he agreed in abhorring religious intolerance; with each of them he had some special affinity. Like the first and the last, he had a truly English reverence for law and order. A Newtonian in his patient and tranquil research for the hidden secrets of Nature, he had Voltaire's love of Justice, while he resembled Rousseau, the only democrat of the French school, in a new sentiment for popular government, and in what may be called either the Social or Republican instinct. He vied with Diderot in an universal curiosity and an encyclopædic grasp of all the sciences, but surpassed him in originality and creative power. He combined in an extraordinary degree the faculties of observation, meditation, and abstraction. His achievements are not accidents. If the architect's plans are

compared with history, they will be found to have been executed in large part by the builders of the nineteenth century. Of the great Frenchmen who synchronised with him and moved along parallel lines of thought, it cannot be said that any one, or that all together, destroyed the Church or the government, or even the social system of France. It may even be questioned whether they swayed the fortunes of France with an influence so potent as Smith's sceptre has wielded over the destinies of Europe. The criticisms of Voltaire had mighty consequences, no doubt, but those consequences were not deliberately planned, or even descried. Hume's scepticism went far deeper than Voltaire's, tore up by the roots whole systems of debased philosophy, and roused Kant from his dogmatic slumbers. But Hume and Voltaire had little to sow on the land they ploughed and harrowed. In all their anxiety to humble and ridicule religion, they would retain the Church as a useful instrument of the State. In all their appeals to public opinion, they never thought of resting government on a broad basis of popular right. Their view of society was conventional; they were rather satirists than reformers. It has been a commonplace of criticism to compare Adam Smith with Locke. He is supposed to have done for a particular branch of politics what Locke did for the whole science. But Locke's main achievement, after all, was to find philosophic sanction for a revolution accomplished by others, and to establish in the minds of the Whig aristocracy an unlimited respect for a limited constitution. Smith was the single-handed contriver and sole author of a revolution in thought which has modified the governing policy and prodigiously increased the welfare of the whole civilised world.

Of his contemporaries, the nearest perhaps in spirit are Turgot and the younger Burke, the Burke of the American Revolution and of Free Trade and Economical Reform. But Burke and even Turgot were in a certain sense men of the past. Though their radiance can never fade, their influence wanes. But Smith has issued from the seclusion of a professorship of morals, from the drudgery of a commissionership of customs, to sit in the council-chamber of princes. His word has rung through the study to the platform. It has been proclaimed by the agitator, conned by the statesman, and printed in a thousand statutes.

FOOTNOTES

[1] Dugald Stewart wrongly describes him as a Writer to the Signet, confusing him with a contemporary of the same name.

[2] See W. R. Scott's *Hutcheson* (1900).

[3] Even in 1763 there was but one stage-coach in Scotland "which set out [from Edinburgh] once a month for London, and was from twelve to fourteen days on the journey."—George Robertson's *Rural Recollections*, p. 4.

[4] See the *Wealth of Nations*, Book V. ch. i. art. 2.

[5] See the *Wealth of Nations*, Book I. chap. ii.

[6] The advertisement goes on to say: "It is long since he found it necessary to abandon that plan as far too extensive; and these parts of it lay beside him neglected till he was dead."

[7] First, Dugald Stewart declares that the *History of Astronomy* "was one of Mr. Smith's earliest compositions." Second, in a letter constituting Hume his literary executor, Smith describes it as a fragment of an intended juvenile work. Thirdly, Stewart heard him say more than once "that he had projected in the earlier part of his life a history of the other sciences on the same plan." Fourthly, the work exactly fits in with all that we hear of his youthful bent for the Greek geometry and natural

philosophy. Fifthly, it must have been written long before 1758, for he mentions a prediction that a certain comet will appear in that year.

[8] "The author at the end of his essay," says the advertisement, "left some notes and memorandums from which it appears he considered this last part of his *History of Astronomy* as imperfect and needing several additions." It consists of 135 pages, and the imperfections are not obvious to the reader.

[9] *Moral Sentiments*, Part III. chap. ii. p. 210 of the second, third, and fourth editions; chap. iii. of the sixth edition.

[10] Mr. Rae, usually the most accurate of authorities, states that the first edition appeared "in two volumes 8vo."

[11] The crude theory that sympathy is the foundation of altruism was noticed by Hutcheson. In his *System of Moral Philosophy* (B. I. ch. iii.) he writes: "Others say that we regard the good of others, or of societies ... as the means of some subtiler pleasures of our own by sympathy with others in their happiness." But this sympathy, he adds, "can never account for all kind affections, tho' it is no doubt a natural principle and a beautiful part of our constitution."

[12] Mr. Rae's *Life of Adam Smith*, pp. 148-9. Mr. Rae also says that it contained none of the alterations or additions that Hume expected, and expresses surprise that the additions, etc., which had been placed in the printer's hands in 1760 were not incorporated in the text until the publication of the sixth edition thirty years afterwards. On the other hand, he says that the *Dissertation on the Origin of Languages* was added. But the *Dissertation* was first appended in the third edition (1767).

[13] See *Moral Sentiments*, 1st edition, p. 464.

[14] *Origine de l'inégalité. Partie première*, pp. 376, 377. *Édition d'Amsterdam des œuvres diverses de J. J. Rousseau.* The reference is from *Moral Sentiments*, 3rd ed. p. 440.

[15] Millar adds: "The great Montesquieu pointed out the road. He was the Lord Bacon in this branch of philosophy. Dr. Smith is the Newton."

[16] Cp. *Wealth of Nations*, Book I. chap. iii.

[17] And even Hume, as Smith warned his class, had not quite emancipated himself from mercantilist misconceptions.

[18] *Lectures*, p. 241: "Excise raises the price of commodities and makes fewer people able to carry on business. If a man purchase £1000 worth of tobacco he has a hundred pounds of tax to pay, and therefore cannot deal to such an extent as he would otherwise do. Thus, as it requires greater stock to carry on trade, the dealers must be fewer, and the rich have, as it were, a monopoly against the poor."

[19] Uztariz, *Theory and Practice of Commerce and Maritime Affairs*, translated by John Kippax, 1751, vol. ii. p. 52. The allusion has been discovered by Mr. Edwin Cannan. See *Lectures*, p. 246.

[20] *Wealth of Nations* (1776), Book V. chap. i. art. 2.

[21] Tytler's *Kames*, i. p. 278.

[22] See Faujas Saint-Fond, *Travels in England and Scotland*, vol. ii. p. 241.

[23] See *Garrick Correspondence*, vol. ii. pp. 549, 550.

[24] See letter from Adam Smith to T. Cadell printed in the *Economic Journal* for September 1898. It appears that the last two books he had ordered were Postlethwait's *Dictionary of Trade* and Anderson's *Deduction of the Origin of Commerce*. Neither appears in Mr. Bonar's catalogue of his library.

[25] At Kirkcaldy George Drysdale, for some time Provost of the town and afterwards Collector of Customs, was a "steady and much esteemed friend." His more distinguished brother, Dr. John Drysdale the minister, had been at school with Smith, and "among all his numerous friends and acquaintances," says Dalzel, there was none "whom he loved with greater affection or spoke of with greater tenderness." They often met in Kirkcaldy and Edinburgh. The death of James Oswald, who represented Kirkcaldy, early in 1769, was a serious loss to the little society, and particularly to Smith.

[26] Steuart's *Political Economy*, 1767.

[27] The most important of these (in Book IV. chap, vii.) appear for the first time in the third edition (1784).

[28] Letter to Cullen, London, 20th September 1774.

[29] Mr. Macpherson's recent abridgment is the only tolerable one I know of, and that solely because it carefully retains many of the finest chapters, and leaves the flesh on the bones.

[30] A public pawnshop.

[31] Charles Butler, the learned Catholic lawyer, once mentioned to Fox that he had never read the *Wealth of Nations*. "To tell you the truth," said Fox, "nor I either. There is something in all these subjects which passes my comprehension; something so wide that I could never embrace them myself or find any one who did."

[32] See Book IV. chap. vii.

[33] See Skarzinski's *Adam Smith* (1878), quoted by Oncken, *Economic Journal*, vol. vii. p. 445.

[34] See Ruskin's *Fors Clavigera*, letters 62 and 72.

[35] Smith avoids the error so commonly committed in modern doctrines of international trade, of regarding a nation as a trading unit.

[36] The second case is simple and uncontroversial. If there is an excise duty upon a home product, it seems reasonable, says Smith, that an equal tax should be imposed in the shape of an import duty upon the same product imported from abroad.

[37] The author of *Douglas*.

[38] Written from Kirkcaldy, November 9, 1776.

[39] In the Budget of 1778 North adopted two more important recommendations: the inhabited house duty, which is still with us, and the malt tax, which was commuted for the beer duty by Mr. Gladstone in 1880. The house tax proved very productive, as taxes went in those days, its yield rising from £26,000 in 1779 to £108,000 in 1782.

[40] Sir Gray Cooper was Secretary to the Treasury.

[41] Rae's *Life of Adam Smith*, p. 326.

[42] See the *Life of Smith* by William Smellie, a contemporary.

[43] See Sinclair's *Life of Sir John Sinclair*, vol. i. p. 39.

[44] Edinburgh, 15th December 1783. The letter is printed in the *Journals and Correspondence of Lord Auckland*, vol. i. p. 64.

[45] Sir Gilbert Elliot wrote from Edinburgh, July 25, 1782, to his wife:—"I have found one just man in Gomorrah, Adam Smith, author of the *Wealth of Nations*. He was the Duke of Buccleuch's tutor, is a wise and deep philosopher, and although made Commissioner of the Customs here by the Duke and Lord Advocate, is what I call an *honest fellow*. He wrote a most kind as well as elegant letter to Burke on his resignation, as I believe I told you before, and on my mentioning it to him he told me he was the only man here who spoke out for the Rockinghams."—*Life of Lord Minto*, vol. i. p. 84.

[46] Afterwards Lord Lauderdale, a finished economist, who passed some ingenious criticisms on the *Wealth of Nations*.

[47] See Dugald Stewart's *Memoir*, section V.

[48] Mr. Rae, the only one of Smith's biographers, I think, who has noticed Saint-Fond's visit, dates it wrongly (in 1782), and says the account was published in 1783. The journey took place in 1784, and the account was published in 1797. An English translation appeared two years later.

[49] This appeared in 1786 with a prefatory note expressing the author's grateful obligations to Mr. Henry Hope of Amsterdam, for his information concerning the great Dutch Bank.

[50] In his first will Gibbon left a legacy of £100 to Adam Smith.

[51] In his *Defence of Usury*, "Letter XIII. to Dr. Smith," Bentham had written: "Instead therefore of pretending to owe you nothing, I shall begin with acknowledging that, as far as your trade coincides with mine, I should come much nearer the truth were I to say I owed you everything." Mr. Rae (*Life of Adam Smith*, p. 424) quotes a letter from George Wilson to Bentham, in the Bentham MSS., British Museum. I may add to this the following note which I find in Bentham's *Rationale of Reward* (1825), p. 332, in chapter xvi. of Book IV., on Rates of Interest. "Adam Smith, after having read the letter upon *Projects*, which was addressed to him, and printed at the end of the first edition of the *Defence of Usury*, declared to a gentleman, the common friend of the two authors, that he had been deceived. With the tidings of his death Mr. Bentham received a copy of his works, which had been sent to him as a token of esteem."

INDEX

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

A

B

C

D

E

N

O

P

Q

R

S

T

U

V

W

Printed by T. and A. Constable, Printers to His Majesty
at the Edinburgh University Press

Transcriber's Notes

- Silently corrected a few typos.
- Retained publication information from the printed edition: this eBook is public-domain in the country of publication.
- In the text versions only, text in italics is delimited by _underscores_.

*** END OF THE PROJECT GUTENBERG EBOOK ADAM SMITH ***

THE FULL PROJECT GUTENBERG LICENSE

Section 1. General Terms of Use and Redistributing Project Gutenberg™ electronic works

1.A. By reading or using any part of this Project Gutenberg™ electronic work, you indicate that you have read, understand, agree to and accept all the terms of this license and intellectual property (trademark/copyright) agreement. If you do not agree to abide by all the terms of this agreement, you must cease using and return or destroy all copies of Project Gutenberg™ electronic works in your possession. If you paid a fee for obtaining a copy of or access to a Project Gutenberg™ electronic work and you do not agree to be bound by the terms of this agreement, you may obtain a refund from the person or entity to whom you paid the fee as set forth in paragraph 1.E.8.

1.B. “Project Gutenberg” is a registered trademark. It may only be used on or associated in any way with an electronic work by people who agree to be bound by the terms of this agreement. There are a few things that you can do with most Project Gutenberg™ electronic works even without complying with the full terms of this agreement. See paragraph 1.C below. There are a lot of things you can do with Project Gutenberg™ electronic works if you follow the terms of this agreement and help preserve free future access to Project Gutenberg™ electronic works. See paragraph 1.E below.

1.C. The Project Gutenberg Literary Archive Foundation (“the Foundation” or PGLAF), owns a compilation copyright in the collection of Project Gutenberg™ electronic works. Nearly all the individual works in the collection are in the public domain in the

United States. If an individual work is unprotected by copyright law in the United States and you are located in the United States, we do not claim a right to prevent you from copying, distributing, performing, displaying or creating derivative works based on the work as long as all references to Project Gutenberg are removed. Of course, we hope that you will support the Project Gutenberg™ mission of promoting free access to electronic works by freely sharing Project Gutenberg™ works in compliance with the terms of this agreement for keeping the Project Gutenberg™ name associated with the work. You can easily comply with the terms of this agreement by keeping this work in the same format with its attached full Project Gutenberg™ License when you share it without charge with others.

1.D. The copyright laws of the place where you are located also govern what you can do with this work. Copyright laws in most countries are in a constant state of change. If you are outside the United States, check the laws of your country in addition to the terms of this agreement before downloading, copying, displaying, performing, distributing or creating derivative works based on this work or any other Project Gutenberg™ work. The Foundation makes no representations concerning the copyright status of any work in any country other than the United States.

1.E. Unless you have removed all references to Project Gutenberg:

1.E.1. The following sentence, with active links to, or other immediate access to, the full Project Gutenberg™ License must appear prominently whenever any copy of a Project Gutenberg™ work (any work on which the phrase “Project Gutenberg” appears, or with which the phrase “Project Gutenberg” is associated) is accessed, displayed, performed, viewed, copied or distributed:

> This eBook is for the use of anyone anywhere in the United States and most other parts of the world at no cost and with almost no restrictions whatsoever. You may copy it, give it away or re-use it under the terms of the Project Gutenberg License included with this eBook or online at www.gutenberg.org. If you are not located in the

United States, you will have to check the laws of the country where you are located before using this eBook.

1.E.2. If an individual Project Gutenberg™ electronic work is derived from texts not protected by U.S. copyright law (does not contain a notice indicating that it is posted with permission of the copyright holder), the work can be copied and distributed to anyone in the United States without paying any fees or charges. If you are redistributing or providing access to a work with the phrase “Project Gutenberg” associated with or appearing on the work, you must comply either with the requirements of paragraphs 1.E.1 through 1.E.7 or obtain permission for the use of the work and the Project Gutenberg™ trademark as set forth in paragraphs 1.E.8 or 1.E.9.

1.E.3. If an individual Project Gutenberg™ electronic work is posted with the permission of the copyright holder, your use and distribution must comply with both paragraphs 1.E.1 through 1.E.7 and any additional terms imposed by the copyright holder. Additional terms will be linked to the Project Gutenberg™ License for all works posted with the permission of the copyright holder found at the beginning of this work.

1.E.4. Do not unlink or detach or remove the full Project Gutenberg™ License terms from this work, or any files containing a part of this work or any other work associated with Project Gutenberg™.

1.E.5. Do not copy, display, perform, distribute or redistribute this electronic work, or any part of this electronic work, without prominently displaying the sentence set forth in paragraph 1.E.1 with active links or immediate access to the full terms of the Project Gutenberg™ License.

1.E.6. You may convert to and distribute this work in any binary, compressed, marked up, nonproprietary or proprietary form, including any word processing or hypertext form. However, if you provide access to or distribute copies of a Project Gutenberg™ work in a format other than “Plain Vanilla ASCII” or other format used in the official version posted on the official Project Gutenberg™ website

(www.gutenberg.org), you must, at no additional cost, fee or expense to the user, provide a copy, a means of exporting a copy, or a means of obtaining a copy upon request, of the work in its original "Plain Vanilla ASCII" or other form. Any alternate format must include the full Project Gutenberg™ License as specified in paragraph 1.E.1.

1.E.7. Do not charge a fee for access to, viewing, displaying, performing, copying or distributing any Project Gutenberg™ works unless you comply with paragraph 1.E.8 or 1.E.9.

1.E.8. You may charge a reasonable fee for copies of or providing access to or distributing Project Gutenberg™ electronic works provided that:

- You pay a royalty fee of 20% of the gross profits you derive from the use of Project Gutenberg™ works calculated using the method you already use to calculate your applicable taxes. The fee is owed to the owner of the Project Gutenberg™ trademark, but he has agreed to donate royalties under this paragraph to the Project Gutenberg Literary Archive Foundation. Royalty payments must be paid within 60 days following each date on which you prepare (or are legally required to prepare) your periodic tax returns. Royalty payments should be clearly marked as such and sent to the Project Gutenberg Literary Archive Foundation at the address specified in Section 4, "Information about donations to the Project Gutenberg Literary Archive Foundation."

- You provide a full refund of any money paid by a user who notifies you in writing (or by e-mail) within 30 days of receipt that s/he does not agree to the terms of the full Project Gutenberg™ License. You must require such a user to return or destroy all copies of the works possessed in a physical medium and discontinue all use of and all access to other copies of Project Gutenberg™ works.

- You provide, in accordance with paragraph 1.F.3, a full refund of any money paid for a work or a replacement copy, if a defect in the electronic work is discovered and reported to you within 90 days of receipt of the work.

- You comply with all other terms of this agreement for free distribution of Project Gutenberg™ works.

1.E.9. If you wish to charge a fee or distribute a Project Gutenberg™ electronic work or group of works on different terms than are set forth in this agreement, you must obtain permission in writing from the Project Gutenberg Literary Archive Foundation, the manager of the Project Gutenberg™ trademark. Contact the Foundation as set forth in Section 3 below.

1.F.

1.F.1. Project Gutenberg volunteers and employees expend considerable effort to identify, do copyright research on, transcribe and proofread works not protected by U.S. copyright law in creating the Project Gutenberg™ collection. Despite these efforts, Project Gutenberg™ electronic works, and the medium on which they may be stored, may contain "Defects," such as, but not limited to, incomplete, inaccurate or corrupt data, transcription errors, a copyright or other intellectual property infringement, a defective or damaged disk or other medium, a computer virus, or computer codes that damage or cannot be read by your equipment.

1.F.2. LIMITED WARRANTY, DISCLAIMER OF DAMAGES - Except for the "Right of Replacement or Refund" described in paragraph 1.F.3, the Project Gutenberg Literary Archive Foundation, the owner of the Project Gutenberg™ trademark, and any other party distributing a Project Gutenberg™ electronic work under this agreement, disclaim all liability to you for damages, costs and expenses, including legal fees. YOU AGREE THAT YOU HAVE NO REMEDIES FOR NEGLIGENCE, STRICT LIABILITY, BREACH OF WARRANTY OR BREACH OF CONTRACT EXCEPT THOSE PROVIDED IN PARAGRAPH 1.F.3. YOU AGREE THAT THE FOUNDATION, THE TRADEMARK OWNER, AND ANY DISTRIBUTOR UNDER THIS AGREEMENT WILL NOT BE LIABLE TO YOU FOR ACTUAL, DIRECT, INDIRECT, CONSEQUENTIAL, PUNITIVE OR INCIDENTAL DAMAGES

EVEN IF YOU GIVE NOTICE OF THE POSSIBILITY OF SUCH DAMAGE.

1.F.3. LIMITED RIGHT OF REPLACEMENT OR REFUND - If you discover a defect in this electronic work within 90 days of receiving it, you can receive a refund of the money (if any) you paid for it by sending a written explanation to the person you received the work from. If you received the work on a physical medium, you must return the medium with your written explanation. The person or entity that provided you with the defective work may elect to provide a replacement copy in lieu of a refund. If you received the work electronically, the person or entity providing it to you may choose to give you a second opportunity to receive the work electronically in lieu of a refund. If the second copy is also defective, you may demand a refund in writing without further opportunities to fix the problem.

1.F.4. Except for the limited right of replacement or refund set forth in paragraph 1.F.3, this work is provided to you 'AS-IS', WITH NO OTHER WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PURPOSE.

1.F.5. Some states do not allow disclaimers of certain implied warranties or the exclusion or limitation of certain types of damages. If any disclaimer or limitation set forth in this agreement violates the law of the state applicable to this agreement, the agreement shall be interpreted to make the maximum disclaimer or limitation permitted by the applicable state law. The invalidity or unenforceability of any provision of this agreement shall not void the remaining provisions.

1.F.6. INDEMNITY - You agree to indemnify and hold the Foundation, the trademark owner, any agent or employee of the Foundation, anyone providing copies of Project Gutenberg™ electronic works in accordance with this agreement, and any volunteers associated with the production, promotion and distribution of Project Gutenberg™ electronic works, harmless from all liability, costs and expenses, including legal fees, that arise directly or indirectly from any of the following which you do or cause to occur: (a)

distribution of this or any Project Gutenberg™ work, (b) alteration, modification, or additions or deletions to any Project Gutenberg™ work, and (c) any Defect you cause.

Section 2. Information about the Mission of Project Gutenberg™

Project Gutenberg™ is synonymous with the free distribution of electronic works in formats readable by the widest variety of computers including obsolete, old, middle-aged and new computers. It exists because of the efforts of hundreds of volunteers and donations from people in all walks of life.

Volunteers and financial support to provide volunteers with the assistance they need are critical to reaching Project Gutenberg™'s goals and ensuring that the Project Gutenberg™ collection will remain freely available for generations to come. In 2001, the Project Gutenberg Literary Archive Foundation was created to provide a secure and permanent future for Project Gutenberg™ and future generations. To learn more about the Project Gutenberg Literary Archive Foundation and how your efforts and donations can help, see Sections 3 and 4 and the Foundation information page at www.gutenberg.org.

Section 3. Information about the Project Gutenberg Literary Archive Foundation

The Project Gutenberg Literary Archive Foundation is a non-profit 501(c)(3) educational corporation organized under the laws of the state of Mississippi and granted tax exempt status by the Internal Revenue Service. The Foundation's EIN or federal tax identification number is 64-6221541. Contributions to the Project Gutenberg Literary Archive Foundation are tax deductible to the full extent permitted by U.S. federal laws and your state's laws.

The Foundation's business office is located at 809 North 1500 West, Salt Lake City, UT 84116, (801) 596-1887. Email contact links and up

to date contact information can be found at the Foundation's website and official page at www.gutenberg.org/contact

Section 4. Information about Donations to the Project Gutenberg Literary Archive Foundation

Project Gutenberg™ depends upon and cannot survive without widespread public support and donations to carry out its mission of increasing the number of public domain and licensed works that can be freely distributed in machine-readable form accessible by the widest array of equipment including outdated equipment. Many small donations ($1 to $5,000) are particularly important to maintaining tax exempt status with the IRS.

The Foundation is committed to complying with the laws regulating charities and charitable donations in all 50 states of the United States. Compliance requirements are not uniform and it takes a considerable effort, much paperwork and many fees to meet and keep up with these requirements. We do not solicit donations in locations where we have not received written confirmation of compliance. To SEND DONATIONS or determine the status of compliance for any particular state visit www.gutenberg.org/donate.

While we cannot and do not solicit contributions from states where we have not met the solicitation requirements, we know of no prohibition against accepting unsolicited donations from donors in such states who approach us with offers to donate.

International donations are gratefully accepted, but we cannot make any statements concerning tax treatment of donations received from outside the United States. U.S. laws alone swamp our small staff.

Please check the Project Gutenberg web pages for current donation methods and addresses. Donations are accepted in a number of other ways including checks, online payments and credit card donations. To donate, please visit: www.gutenberg.org/donate.

Section 5. General Information About Project Gutenberg™ electronic works

Professor Michael S. Hart was the originator of the Project Gutenberg™ concept of a library of electronic works that could be freely shared with anyone. For forty years, he produced and distributed Project Gutenberg™ eBooks with only a loose network of volunteer support.

Project Gutenberg™ eBooks are often created from several printed editions, all of which are confirmed as not protected by copyright in the U.S. unless a copyright notice is included. Thus, we do not necessarily keep eBooks in compliance with any particular paper edition.

Most people start at our website which has the main PG search facility: www.gutenberg.org.

This website includes information about Project Gutenberg™, including how to make donations to the Project Gutenberg Literary Archive Foundation, how to help produce our new eBooks, and how to subscribe to our email newsletter to hear about new eBooks.