



Adam Smith 1776-1926

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ADAM SMITH¹

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I. THE DAWN OF A SCIENCE

“In every department of human affairs,” declared John Stuart Mill sonorously in the opening paragraph of his *Principles of Political Economy*, “Practice long precedes Science: systematic enquiry into the modes of action of the powers of nature, is the tardy product of a long course of efforts to use those powers for practical ends.”²

Historians of thought, going beyond Mill’s generalization, agree in recognizing two distinct stages in the evolution of a social science. There is first a period of specific and detached discussion of particular incidents, ordinarily evoked by association with practical affairs. There is later a systematic inquiry, inspired by philosophic interest, into the structure and sequence of the general subject matter.

In the history of English economic thought, the year 1750 serves as a convenient dividing line for this transition. Much was written upon economic matters before that date. An eighteenth-century bibliographer lists some twenty-three hundred

¹ Two lectures delivered at the University of Chicago on December 9 and 10, 1926, as an introduction to a series commemorative of the one hundred and fiftieth anniversary of the publication of the *Wealth of Nations*.

² “Preliminary Remarks,” *op. cit.* (London 1848), I, 1.

such publications, issued in Great Britain from 1557 to 1764,³ and the catalogue is far from complete. Ranging from mere broadsides to stout volumes, the bulk of this literature figures in the history of economic writing as ephemeral and local. But an appreciable part of it is significant. The tracts of John Wheeler, Gerard de Malynes, Edward Misselden, Thomas Mun, Lewis Roberts, Henry Parker, Dudley North, Josiah Child, Joshua Gee upon commerce; of Sir Isaac Newton, John Locke, Nicholas Barbon upon money; and of Sir Charles Davenant, Sir William Petty, Sir William Temple, Francis Fauquier, Joseph Massie upon taxation not only discussed contemporary episodes, but in casting about for theoretical warrant for specific proposals often phrased scientific truths to an extent that has won the admiration of later students. Sometimes an unusual contact with affairs, as in the case of Jacob Vanderlint, or a larger social vision, as with Bishop Berkeley, inspired a more ambitious contribution. But even in such cases, the inception and issue were associated with specific events. We owe *Money Answers All Things* to Walpole's excise scheme, and *The Querist* was suggested by the economic distress of Ireland.

In the middle of the eighteenth century, however, economic thinking entered upon a more deliberate and systematic phase. The Peace of Aix-la-Chapelle in releasing England from continental entanglement, and the battle of Culloden Moor in establishing the Hanoverian succession, gave impetus to commercial and industrial growth.⁴ The religious revival identified with the spread of Methodism directed attention to neglected social conditions and foreshadowed the advent of a new humanitarianism. In the philosophical world Francis Hutcheson replaced the old Calvinism by eighteenth-century rationalism,⁵ and Montesquieu proclaimed to Europe that political and social institutions were the reflex of material environment and national character.

A series of events followed whose cumulative significance is

³ Joseph Massie; cf. *infra*.

⁴ George Chalmers, *An Estimate of the Comparative Strength of Great Britain* (new ed.; London, 1804), p. 123.

⁵ Leslie Stephen, *History of English Thought in the Eighteenth Century* (3d ed.; London, 1902), II, 56.

unmistakable. In 1748 Joseph Massie began his famous collection of economic literature as the basis for an inductive study of the elements of commerce. In 1749 Adam Smith organized a public class for instruction in political economy in Edinburgh and paved the way to professorial appointment in Glasgow. In 1750 Robert and Andrew Foulis commenced to reprint important economic texts—Child, Gee, Petty, Law, Berkeley—in sympathy with the awakened interest in the principles of trade and commerce. David Hume's *Political Discourses*, destined to attain a vogue unequalled by any other economic writing, appeared in 1752. Cantillon's *Essai sur le Commerce*, written a generation before, and Francis Hutcheson's posthumous *System of Moral Philosophy*, containing the substance of his lectures upon natural jurisprudence, became accessible in 1755. In the same year Josiah Tucker published the outline, actually projected several years before, of a general treatise on *The Moral and Political Theory of Trade and Taxes*, and made substantial beginning in his *Elements of Commerce*.⁶ Quesnay's first economic article, marking the beginning of the Physiocratic movement in France, saw light in 1756; Harris' *Essay on Money and Coins* followed close in 1757–58, and in 1760 Joseph Massie addressed a formal representation to the commissioner of the treasury "to be employed in forming for public Service *the Elements of Commerce*, and *an historical account of the British Manufacturies and trade.*"⁷

Examined more closely, this development of economic writing shows a distinct bifurcation traceable as far back as the point of initiation and conveniently distinguished as "political arithmetic" and "political economy." Having for a common purpose the discovery of the principles whereby national wealth was amassed, the rival methods foreshadowed the methodological issue of a century later.⁸

⁶ Walter Ernest Clark, *Josiah Tucker: Economist* (New York, 1903), p. 62 n.

⁷ *Representation concerning the Knowledge of Commerce as a National Concern* (London, 1760), p. 25.

⁸ Dugald Stewart distinguished the devotees of the two modes of inquiry as "political arithmeticians, or statistical collectors," and "political economists, or political philosophers" (*Collected Works* [ed. Hamilton], III, 33).

Of the two, political arithmetic represented the main current. Sir William Petty, under the spell of the Baconian philosophy,⁹ introduced the term in 1674 and gave consciousness to the use of this "geometrical justice" in economic discussion in lieu of "grandisonous or euphonical nonsense farded with formality."¹⁰ Two decades later Sir Charles Davenant presented a formal definition: "By Political Arithmetick, we mean the Art of Reasoning, by Figures, upon Things relating to Government,"¹¹ and more fully:

A great Statesman, by consulting all sort of Men, and by contemplating the universal Posture of the Nation, its Power, Strength, Trade, Wealth and Revenues, in any Council he is to offer, by summing up the Difficulties on either Side, and by computing upon the whole, shall be able to form a sound Judgement, and to give a right Advice: and this is what we mean by Political Arithmetick.¹²

Thereafter argument "in terms of number, weight, or measure" became an accredited mode of economic exposition. The economic superiority of Britain was the favorite theme—this, in turn, being resolved into discussion of population, area, and productivity of land, volume and direction of commerce, sometimes for expository purposes, more often for comparison with reported conditions in other lands with an eye to legislative or administrative change.

Petty, Graunt, Halley, Derham, and De Moivre used the bills of mortality to arrive at estimates of population and vital phenomena. Gregory King, Charles Davenant, and Erasmus Philips inquired into the wealth of the nation, using the returns of the poll and excise taxes as bases. Less qualified writers assumed the validity of a method which they were incompetent to

⁹ Charles H. Hull (ed.), Introduction, *Economic Writings of Sir William Petty* (Cambridge, 1899), I, lxiv-lxv.

¹⁰ Stephen Bauer, "Arithmetic, Political, History of," in Palgrave (ed.), *Dictionary of Political Economy, sub nom.*

¹¹ *Discourses on the Publick Revenues, and on the Trade of England* (London, 1698), Part I, p. 2.

¹² *Ibid.*, p. 15.

employ. The very term became the earmark of a craft, used as lightly and as uninformedly as Carlyle's epithet of a later day.

Moral arithmetick to him was known
And ev'ry statesman's merit, but his own,

sang Pope of Roscommon, with echo a century later by Chalmers¹³ of Gregory King. "Political arithmetic, an art of greater use than entertainment," was the *Spectator's* tribute in 1711,¹⁴ and as though despairing of finding readers with so forbidding a caption, a later editor—perhaps anticipating Emerson's conviction that we shall never understand political economy until we get Beranger or Burns or some poet to teach it in songs¹⁵—countenanced a typographical lapse of the title into "poetical arithmetic."¹⁶

When in the middle of the century Montesquieu's *De l'Esprit des Lois*, promptly translated into English, suggested the systematization of economic uniformities, political arithmetic by right of origin and by avowal of purpose seemed the appropriate device whereby "not so perfect Demonstrations as are required in pure Mathematicks; but . . . such as our Superiors may work with, as well as Wheelwrights and Clockmakers do work without the Quadrature of a Circle."¹⁷ This conception that economic principles must rest upon economic induction marked an unrealized purpose of Joseph Massie.

The circumstances of Massie's life are hidden in the same irritating obscurity that enshrouds other important English economic writers—Vanderlint, Harris—of the middle eighteenth century.¹⁸ We know only of his astonishing productivity as pamphleteer in the period from 1750 to 1765, and of his death in

¹³ *Op. cit.*, p. xvi.

¹⁴ No. 200 (October 19, 1711).

¹⁵ *Journals, 1840-1855* (Cambridge, 1912), VIII, 389.

¹⁶ Table of Contents, *British Essayists* (ed. Berguer; London, 1823), Vol. IX.

¹⁷ Sir William Petty, "A Treatise of Ireland, 1687," *Works* (ed. Hull), II, 611.

¹⁸ See Introduction to reprint (ed. Hollander; Baltimore, 1912) of Massie, *An Essay on the Governing Causes of the Natural Rate of Interest* (London, 1750).

1784. It is as bibliographer rather than as author that Massie has figured largest in the history of economic thought. The "Fifteen Hundred, or more, Books and Pamphlets" concerning "the *Commerce, Coin, and Colonies of Great Britain*" which he had been "above Twelve Years in Making," though he "resided in *London*, and was not sparing of either Time or Money to enlarge it," were sold in 1760, and thereafter dispersed, lost, or hidden—how and in what manner we have no knowledge. But Massie left a monument to his zeal in an admirably compiled finding list which he continued to revise and extend even after he had disposed of the actual collection, and this "Alphabetical and Chronological Index of Commercial Books and Pamphlets,"¹⁹ which by December, 1764, had grown to 2,377 items, still serves as a helpful guide to English economic literature before Adam Smith.

Massie's interest in economic literature was not, however, merely as bibliographer or collector. If not present from the first, the intention soon developed of utilizing the materials that he had gathered for two works, a "commercial history of Great Britain" and a treatise upon the "elements of commerce illustrated by Applications." In 1760 Massie submitted the desirability of their preparation to the commissioners of the treasury and of the exchequer and sought public employment. Nothing seems to have come of the proposal; but the tract in which it was urged, "A Representation concerning the Knowledge of Commerce as a National Concern," remains of interest as suggesting an early and vivid conception that economic principles must rest upon economic facts.

While a few thinkers like Massie and Tucker cherished the larger purpose of an inductive economics, political arithmetic in the older and narrower sense continued to claim its devotees. The controversy as to "the populousness of ancient nations"—that "happy hunting-ground for learned antiquarian essay writers"²⁰—initiated by Montesquieu, Hume, and Wallace, and re-

¹⁹ British Museum, Lansdowne MSS 1049; lettered "Massie's Catalogue of Commercial Tracts."

²⁰ James Bonar, *Malthus and His Work* (reprint; New York, 1924), p. 31.

vived with local applications during the war of 1756 by Bell, Brackenridge, and Forster, was continued up to the very close of the century by Price, Young, Chalmers, Eden, Wales, and Howlet.²¹ Resistance to new commercial policies evoked discussion by Chalmers and Clarke as to the comparative strength and prosperity of Great Britain at successive periods of national life, based largely upon estimates of the volume and direction of exports and imports.²² The encyclopedic spirit of the day appeared in antiquarian "annals of commerce" of Macpherson, in a descriptive "state of the poor" of Eden, and in agricultural "tours" and "surveys" of Arthur Young, John Sinclair, and James Anderson—all with political arithmetic serving as an overburdened handmaid. The pressure of war budgets induced Richard Price to apply his studies of probability to proving "by irrefutable arithmetic" that a sinking fund honestly administered must ultimately extinguish the largest debt that can be conceived.²³ The agricultural reformers, hard put to it to find secure footing against the rising tide of economic liberalism, elaborated their pleas in a form suggested by the very title of Arthur Young's long-forgotten work, published two years before the appearance of the *Wealth of Nations*, *Political Arithmetic containing Observations on the Present State of Great Britain; and the Principles of her Policy in the Encouragement of Agriculture*. As late as 1785, James Laffan reviewed the "political arithmetic of the population, commerce and manufactures of Ireland";²⁴ in 1798 Joseph Priestley "first broke his silence [in America] on subjects of political controversy with a paper entitled *Maxims of Political Arithmetic*"; and in 1799 Thomas Cooper incorporated economic discussion in his *Political Essays* under the caption "Political Arithmetic."²⁵

²¹ George Chalmers, *op. cit.*, pp. 193-94.

²² *Ibid.*, p. viii.

²³ Cf. J. Holland Rose, *William Pitt and National Revival* (London, 1912), p. 189.

²⁴ Dublin, 1785.

²⁵ Dumas Malone, *Public Life of Thomas Cooper, 1783-1839* (New Haven, 1926), pp. 91, 98-99.

But whether pursued in the traditional way as the fanciful elaboration of fragmentary and imperfect data of population, trade, and agriculture into general propositions of national wealth, or elevated into a Baconian endeavor to obtain a body of economic principles by systematic induction from the facts of record, political arithmetic led nowhere. This barrenness of result, aggravated by frequent extravagances of method, probably induced Adam Smith's verdict: "I have no great faith in political arithmetic, and I mean not to warrant the exactness of either of these computations";²⁶ to which a discriminating expositor, Dugald Stewart, added: "In general, as Mr. Smith remarks, little stress ought to be laid on the results of what is commonly called Political Arithmetic."²⁷ Thereafter none too unworthy to cast a stone.

Hail! most prudent Politicians!

Hail! correct Arithmeticians!

Hail! vast exhaustless source of Irish Propositions,

jeered the *Rolliad*.²⁸

In 1787, the "new-coined name" of statistics crept unobtrusively into England in the writings of Zimmerman and Sinclair, with the credential of having then already been formed into "a separate science" and having become "a favorite study" in Germany.²⁹ But as used both by German writers of the eighteenth century and by the English writers whom they directly influenced, statistics was far less ambitious as "a species of political enquiry" than political arithmetic, and meant simply "the exposition of the noteworthy characteristics of a state, the mode of

²⁶ *Wealth of Nations*, Book IV, chap. v; *ibid.* (ed. Cannan; London, 1904), II, 36.

²⁷ *Collected Works* (ed. Hamilton; Edinburgh, 1756), IX, 48.

²⁸ Rose, *op. cit.*, p. 263.

²⁹ G. Udny Yule, *An Introduction to the Theory of Statistics* (London, 1911), pp. 1-2. Professor W. F. Wilcox has called attention to the fact that "the earliest occurrence of *statistics* in English was in 1770 and thus more than fifteen years before Sinclair, when Dr. Hooker published a translation of Bielfeld's *Elements of Universal Erudition*. One of its chapters is entitled Statistics, and contains a definition of the subject as 'the science that teaches us what is the political arrangement of all modern states of the known world'" (*Pub. Amer. Statist. Assoc.*, December, 1914, p. 287).

exposition being—almost inevitably at that time—preponderantly verbal.”³⁰

The bare possibility of political arithmetic conceived as a technical economic method came to an end in 1801 with the definite returns of the first census, and of the newly imposed income tax. A few years later, Dugald Stewart pronounced the obituary:

The facts accumulated by the statistical collector are merely *particular results*, which other men have seldom an opportunity of verifying or of disproving; and which, to those who consider them in an insulated state, can never afford any important information. . . . If these observations be just, instead of appealing to political arithmetic as a check on the conclusions of political economy, it would often be more reasonable to have recourse to political economy as a check on the extravagancies of political arithmetic.³¹

While political arithmetic thus straggled on its devious, purposeless course, the main stream of economic thought and writing was taking direction and volume with the extension of philosophical speculation into the domain of economic relations.

The traditional exposition of moral philosophy from classical times had been a review in succession of man's relations to God, to the state, and to society. When in 1727 Gershom Carmichael, after a generation of junior service, was designated professor of moral philosophy at the University of Glasgow, and philosophical studies formally entered the Scotch universities—where alone in Great Britain they were to be pursued with any vigor throughout the eighteenth century—politico-economic speculation had already won recognition. Carmichael was a disciple of Hobbes and Grotius; he had edited Pufendorf's *De Officio Homini et Civis*, and his lectures appear to have included an intelligent commentary. Carmichael died in 1729, and Francis Hutcheson, a former pupil, was elected to the vacant professorship. Basing his early teaching upon Pufendorf and the “compend” of his predecessor Carmichael, Hutcheson later de-

³⁰ Yule, *op. cit.*, p. 2. “A descriptive political science almost devoid of figures but systematic and suitable for presentation in academic lectures or treatises” is Professor Wilcox's definition (p. 286).

³¹ *Elements of the Philosophy of the Human Mind* (1792-1827), Part II, chap. iv, sec. 5, in *Collected Works*, III, 331-32.

veloped a course of "constant lectures five days of the week on Natural Religion, Morals, Jurisprudence, and Government,"³² repeated session after session with many digressions and additions, but not issued in printed form until years later.

Hutcheson accepted "the celebrated division of philosophy among the ancients" into "the rational or logical, the natural, and the moral." Restricted to the area of "moral philosophy," he expounded in turn the elements of ethics, the law of nature or the doctrine of private rights, and "the principles of œconomicks and politicks."³³ It was under the last head that opportunity was afforded for the discussion of economic principles.³⁴

There is little evidence of any direct impress exerted upon economic thought by Hutcheson's opinions. His lectures were well attended, but apparently lacked the distinguished quality that marked the philosophical course of the Scotch universities of a later day. His message filtered through to the public mind for years only by the medium of student shorthand reports and epitomized "compendis." The *Introduction to Moral Philosophy* was published in Latin in 1742, the English translation appearing only in 1747. The more formal *System of Moral Philosophy* saw light as a posthumous work in 1755.³⁵ An earnest and devoted teacher, Hutcheson's largest influence as an economic thinker was exerted through his two great pupils, David Hume and Adam Smith.

In 1737 Hume, then twenty-six years of age, had returned from France to London with the manuscript of the first two parts of his *Treatise on Human Nature*. The work was published in 1739, and, to Hume's great grief, "fell dead born from the press, without reaching such distinction as even to excite a murmur among the zealots."³⁶ Returning to Scotland, Hume soon

³² Leechman's memoir, prefixed to *System of Moral Philosophy* (Glasgow, 1755), p. xxxvi.

³³ Preface, *Introduction to Moral Philosophy* (Glasgow, 1747).

³⁴ W. R. Scott, *Francis Hutcheson* (Cambridge, 1900), Part II, chap. xi; Adam Smith, *Lectures on Justice, Police, Revenue and Arms* (ed. Cannan; Oxford, 1896), pp. xxiv-xxvi.

³⁵ W. R. Scott, *op. cit.*, p. 144.

³⁶ *Essays: Moral, Political and Literary* (ed. Green and Grose; London, 1875), p. 33.

came within the range of Hutcheson's influence. It was to Hutcheson that the manuscript of Part III of the *Treatise on Human Nature* was submitted for criticism, and thereafter the two men continued in active correspondence, and doubtless in personal contact. Indeed, it was out of this relation that Hume's memorable acquaintance with Adam Smith sprang.

It is not altogether fanciful to ascribe to the association with Hutcheson a politico-economic bent to Hume's hitherto exclusively philosophical studies. In the advertisement to the first volume of his *Treatise* (1739), Hume had announced that he would "proceed to the examination of Morals, Politics and Criticism."³⁷ The third volume of the *Treatise*, published in 1740, treated of "Morals," and the remaining tasks awaited performance. It was in possible preparation for the politico-economic part that his reading and note-taking at this time included the texts of Josiah Child, Marshall Vauban, and Michael Geddes.

The actual outcome was a series of essays "wrote with a view of being published as weekly papers" after the manner of the *Spectator* and the *Craftsman*, but actually issued "partly from laziness, partly from want of leisure" in 1741-42 in two little volumes of *Essays, Moral and Political*. The division was as equitable as the title indicated, the political discourses forming almost one-half of the original fifteen papers, and more than one-third of the full two-volume edition. They constituted, moreover, the most valuable part of the publication. Without attempting to found a system, they dealt with the topics of the day in the light of general principles, and with a fund of historical illustration.

Curiously enough, no strictly economic topic figured in these causerie-like performances. Hume's reading and reflection may not have proceeded far enough to justify economic composition. More probably the indifferent reception accorded the *Treatise* made Hume reluctant to discuss economic issues at an apparently inopportune moment. The frenzy into which the public mind had lashed itself over Walpole's excise scheme had subsided, and the economic revival of the midcentury, with its stim-

³⁷ *Ibid.*, p. 44.

ulating effect upon economic thought and writing, had not yet developed.

A decade later all of this had changed. Montesquieu's *De l'Esprit des Lois* had appeared, and Hume, who had been in correspondence with Montesquieu from 1749, was instrumental in securing an Edinburgh reprint. Hutcheson's *Introduction to Moral Philosophy* had been published in English translation, and Adam Smith's first lecture course on political economy in Edinburgh had been delivered. Moreover, in economic matters "the new light was thus breaking in on groups of inquirers in Scotland as well as elsewhere," and Hume, like Smith, "was from its earliest days within its play."³⁸

Significant in this connection was Hume's intimacy with James Oswald, of Dunnikier, then a member of Parliament from Kirkcaldy and a commissioner of the navy, and later commissioner of trade and plantations, lord of the treasury, and vice-treasurer of Ireland. Oswald "had made his mark largely by his mastery of economic subjects," and Hume had years before (1744) described him in this connection as a "great genius."³⁹ It was now with Oswald that he conferred and to him that he submitted the draft of his new essays. Even the scant evidence extant as to this contact suggests that Hume was indebted to Oswald for some part of what has been regarded as one of his most characteristic doctrines—the stimulating effect of a gradual increase in the money of a country. In much the same manner Dugald Stewart records that, as "appears from a manuscript of Mr. Smith's now in my possession," the analysis of "price" into its component parts which figures in the *Wealth of Nations* was suggested by Oswald.⁴⁰

The collection of essays upon which Hume's fame as an economist rests actually appeared early in 1752 in a small octavo volume under the title of *Political Discourses*. It is doubtful whether any economic composition, with the possible exception of Henry George's *Progress and Poverty*, has ever enjoyed a greater vogue. Such subjects as "Commerce," "Luxury," "Mon-

³⁸ John Rae, *Adam Smith* (London, 1895), p. 38.

³⁹ *Ibid.*, p. 37.

⁴⁰ *Collected Works*, IX, 6.

ey," "Interest," "Balance of Trade," "Taxes," and "Public Credit"—the very matters as to which current developments in public and private affairs were running afoul of traditional misconception and unenlightenment—were discussed by Hume with an acuteness of reasoning, a soundness of judgment, an intimacy of manner, and a charm of style that gave the book the widest circulation and whetted the popular appetite for further fare.

If the exposition of economic relations which Francis Hutcheson wove into his lectures on moral philosophy did not give Adam Smith—then an admiring student—his original interest in political economy, certainly it supplied something of both form and content to the lecture course on "Justice, Police, Revenue, and Arms" which a generation later Adam Smith gave as professor of moral philosophy at Glasgow.

But the pupil went far beyond the achievement of the teacher. In part responding to the growing interest in economic affairs, in part voicing a dissenting creed, Smith gave increasing place to a discussion of the political regulations designed "to increase the riches, the power and the prosperity of a State."

The publication of the *Theory of Moral Sentiments* in 1759, and the virtual postponement of a contemplated treatise on jurisprudence, left Smith's hands free for his larger work. Probably the expectation of obtaining leisure for its pursuit, free from the press of material cares, induced him to relinquish the Glasgow professorship and accept the post of traveling tutor to the young Duke of Buccleugh. Then followed two years of travel and observation, full of rich experiences and stimulating contacts. In 1766 he returned to England, to bury himself with notes and books in Kirkcaldy, not again emerging for more than brief intervals in connection with his task, until the publication of the *Wealth of Nations* in 1776.

The idea, present from the first, of a literary presentation of his university lectures had gained scope and dignity by contact with Quesnay and Turgot. The appearance of Adam Ferguson's *History of Civil Society* in 1767, with its apparent encroachment upon Smith's exposition, and the more deliberate occupation of the field by Sir James Stuart's *Principles of Po-*

litical Economy in the same year, contributed to cautious composition. David Hume's greeting to the published book suggested the deliberateness of its preparation: "It was a work of so much expectation, by yourself, by your friends, and by the public that I trembled for its appearance."⁴¹

For the inception of a science, two elements are needed: (1) a measure of consciousness and (2) a body of principles. In so far as Adam Smith wrote a scientific treatise, it was like the prose which Molière's bourgeois spoke. Trained in classical philosophy, the academic successor of Carmichael and Hutcheson, the classroom expositor of moral philosophy, it was reasonable to suppose that the economic sections of Adam Smith's work would, both in lecture outline and in final version, display the formal characteristics of a philosophy of the schools. As a matter of fact, no student of method can speak of the *Wealth of Nations* as exhibiting the deliberate scope, the systematic plan, or the logical method of a scientific treatise.

Joseph Massie, in the Dedication to his *Representation concerning the Knowledge of Commerce*, had noted in 1760, "Some Writers have considered Commerce as a Science, and endeavoured to deduce the knowledge of it from Axioms, Maxims, etc." As early at least as 1763 in his Glasgow lectures, Adam Smith had referred to jurisprudence as "that *science* which inquires into the *general principles*," etc.⁴² Some years later he had declared that the system of the Physiocrats, "with all its imperfections, is, perhaps, the nearest approximation to the truth that has yet been published upon the subject of political economy, and is upon that account well worth the consideration of every man who wishes to examine with attention the principles of that very important science."⁴³ And yet the *Wealth of Nations* has little of that easy, intimate use of the term "science" and the accompanying precision of arrangement which, in im-

⁴¹ Rae, *op. cit.*, p. 286.

⁴² *Lectures* (ed. Cannan), p. 1.

⁴³ *Wealth of Nations* (ed. Cannan), II, 176.

pressive contrast, distinguishes the immediate pre-Ricardian texts.

In part this later formalism as to definition and arrangement came from Jeremy Bentham, entering economic study through the influence of James Mill and possibly J. R. McCulloch. To a much greater degree the scientific consciousness of political economy is assignable to the influence upon English thought of the French post-Physiocratic writers.

Montesquieu had made familiar the conception of uniformity in economic relations and the possibility of an orderly arrangement of such principles. In 1763 Mirabeau had declared: "La science économique est approfondie et développée par l'examen et par le raisonnement, mais sans les calculs elle serait toujours une science indéterminée, confuse et livrée partout à l'erreur et au préjugé."⁴⁴

A year later Dupont de Nemours dedicated a tract to Mme de Pompadour in recognition of "la protection décidée que vous accordez à ceux qui s'appliquent à l'étude de la Science économique ... cette Science importante et sublime."⁴⁵

Despite the continuous influence of French politico-economic thought upon English philosophical circles, the terms "economic science" and "economic law" were, with a curious reticence, withheld from English writings. The explanation is probably to be found in the disfavor in late eighteenth-century England of all things French. Moreover, as the Physiocratic creed gained the ascendancy, the term "economic science" acquired a local signification. The circumstance that "Physiocracy"—fairly constituted by 1767—was "incontestably the first form under which economic science was presented to the world" encouraged the substitution.⁴⁶ In 1768 "la science économique" had become "la science nouvelle," and "les Économistes" the popular designation for the votaries of the system.

⁴⁴ *Philosophie Rurale*, pp. xix-xx; quoted by Edgard Depitre in Introduction (p. xii, n. 2) to his reprint (Paris, 1911) of Dupont de Nemours, *De l'Exportation et de l'Importation des Grains* (1764).

⁴⁵ *Ibid.* (reprinted text), p. v.

⁴⁶ A. Dubois, Notice (p. vi) to his reprint (Paris, 1910) of Dupont de Nemours, *De l'Origine et des Progrès d'une Science Nouvelle* (1768).

With the wane of the sect, the term, still localized in implication, was eschewed by economic writers. This tendency to avoidance was heightened by the popular association of the excesses of the French Revolution with the teachings of the Physiocrats. Even Dugald Stewart, in 1794, apologized for having expressed himself strongly on the merits of what he termed "the first Economists" on the score that "most of them are long since dead."⁴⁷

Gradually, French thought released itself from local association. In 1794 Condorcet demanded: "Quelles sont les lois suivant lesquelles ces richesses se forment ou se partagent, se conservent ou se consomment, s'accroissent ou se dissipent?"⁴⁸ In 1796 Garnier maintained the prime inquiry of political economy to be "the laws or principles according to which wealth is formed in society in general, and is distributed among the different members who compose it," and he developed the same opinion nine years later in translating the *Wealth of Nations*.⁴⁹ In 1801 Canard made a crude attempt to find mathematical formulas for the laws which are the object of political economy. In 1803 J. B. Say published his *Traité d'Économie Politique* with the prefatory declaration that "political economy, like the exact sciences, is composed of a small number of fundamental principles, and of a great number of corollaries or consequences of those principles."⁵⁰

The influence of this post-physiocratic group upon English writing was direct and immediate. The intense interest aroused by Malthus' *Essay* called attention anew to Condorcet. Canard's *Principes* was reviewed at length in the second issue of the *Edinburgh Review*. Garnier's annotated translation of the *Wealth of Nations* was cited⁵¹ as a refreshing contrast to Playfair's defective edition. J. B. Say was acclaimed as one of the few French writers "who never sacrifices truth to display . . . who first introduced the French nation to the true principles of political

⁴⁷ *Collected Works*, X, lxxix.

⁴⁸ Elie Halévy, *La Formation du Radicalisme Philosophique*, II, 221.

⁴⁹ *Ibid.*, p. 222.

⁵⁰ Preface, p. x.

⁵¹ *Edinburgh Review*, January, 1806.

economy, and whose name will be mentioned with honour among the philosophers who have raised that important branch of knowledge to the rank of a science."⁵²

As to the actual entry of the term "science" in English economic writing, George Crauford in *The Doctrine of Equivalents*, published in 1803 but ascribed to 1794, spoke of forming "the science of political economy into a comprehensive clear and familiar system." The Edinburgh reviewers referred again and again to "the science" and its "principles." William Spence, champion of Physiocratic doctrines, wrote naturally enough in 1807 of "no principle in the Science of Political Economy," and Torrens in rejoinder to this tract—which brought James Mill and Thomas Chalmers also into the lists—made easy use of "the science of political economy." By 1811 Boileau could entitle his much-neglected book *An Introduction to the Study of Political Economy*, the purpose of which was "to render the science more accessible."

But if the *Wealth of Nations* showed little trace of scientific self-consciousness, it was distinguished in a very high degree by the second and more notable characteristic of an epoch-making work—a body of principles setting forth the uniformities and sequences that obtain in the subject matter assembled. As against the detached solutions of monographic writers or the unfulfilled engagements of more ambitious projectors, Adam Smith visualized the broad extent of economic purpose and result and ventured interpretations of that which he saw or pictured.

One of the most competent students of the *Wealth of Nations* has lately declared:

Very little of Adam Smith's scheme of economics has been left standing by subsequent inquirers. No one now holds his theory of value, his account of capital is seen to be hopelessly confused, and his theory of distribution is explained as an ill-assorted union between his own theory of prices and the physiocrats' fanciful Economic Table. His classification of incomes is found to involve a misguided attempt to alter the ordinary useful and well-recognized meaning of words, and a mixing up of classification according to source with classification according to method or manner of receipt.

⁵² *Westminster Review*, I, 525; quoted by Halévy, *op. cit.*, II, 348.

His opinions about taxation and its incidence are extremely crude, and his history is based on insufficient information and disfigured by bias.⁵³

However textually correct, such hypercriticism is a misleading introduction to an appraisal of "Adam Smith as an Economist." Even the acute recognition, which follows, of "three great things he did accomplish"—(a) the definite substitution of income for the older idea of a capital aggregation of "treasure," (b) the use of wealth per head in lieu of wealth in the aggregate, (c) approval of working and trading and investing for personal gain—leaves the impress of absorption in parts and disregard of the whole.

Another scholar of great competence, as part of a like anniversary tribute, has spoken of our hero as "the Great Founder," a phrase to which the title of my succeeding lecture ("The Founder of a School") must be "subconsciously" indebted. "In all the phenomena for which economists try to account in theory," Dr. James Bonar appraises, "he tried to show there was one element at the basis of all the rest in society as he then found it, viz. competition."⁵⁴ To have "anchored himself" to this "connecting principle," the competitive effort of individuals for gain, was a notable service. It is not a sufficient credential.

The master-quality of Adam Smith's service lay in the degree to which he envisaged the economic world of which he was a part and the confidence with which he set forth what seemed to him the principles manifest in its affairs. Much of what he presented was imperfect; more of it was loosely articulated. "A body of principles grows like a living body," Bonar reminds us, "it is not builded as a city that is compact together."⁵⁵ Adam Smith's "laws" were often unverified theories; his "theories," sometimes fanciful hypotheses. Limpid style, picturesque detail, vehement advocacy, emotional warmth, and constructive proposal mask lapses of thought and defects of logic.

But withal the *Wealth of Nations* constituted a definite base line for succeeding economic thinkers. "It is in Rome that all

⁵³ Edwin Cannan, "Adam Smith as an Economist," *Economica*, June, 1926.

⁵⁴ James Bonar, *The Tables Turned* (London, 1926), pp. 14-16.

⁵⁵ *Ibid.*, p. 51.

ancient history loses itself; it is out of Rome that all modern history takes its source," declared the historian, Edward A. Freeman.⁵⁶ In this sense it is proper to speak of Adam Smith's great performance as marking "the dawn of a science."

II. THE FOUNDER OF A SCHOOL

A distinguished critic has spoken of the *Wealth of Nations* as securing for its author "as near an approach to immortality as can fall to any economic writer."⁵⁷ A formal treatise in two stately quartos, long years in the making, heralded by scholars as "equal to what has ever appeared on any subject of science whatever,"⁵⁸ the reception accorded the book was from the first impressive. David Hume had lamented within a month after its appearance that the treatise required too much thought and reflection to be popular, and the reader fresh from the pages of Gibbon's *Decline and Fall* might well have found the Scotch philosopher turgid and prolix.⁵⁹ But another and perhaps more judicial contemporary declared it doubtful even in 1793 "if there exists any book beyond the circle of the mathematical and physical sciences, which is at once so agreeable in its arrangement to the rules of a sound logic, and so accessible to the examination of ordinary readers."⁶⁰ The actual demand for the book was significant. While Sir James Steuart's quartos gathered dust on Cadell's shelves, Adam Smith's work sold well, and a fifth edition (1789) was reached in the author's lifetime.

For a time the French Revolution appears to have checked the popularity of Smith's book. Economic doctrines, and pre-eminently the doctrines of the new economic liberalism, came to be identified with French principles and the revolutionary spirit.

⁵⁶ *Essays* (2d series, 3d ed.; London, 1889), p. 287.

⁵⁷ James Bonar, in Palgrave (ed.), *Dictionary of Political Economy, sub nom.*

⁵⁸ Adam Ferguson in 1773; see Rae, *op. cit.*, p. 264.

⁵⁹ *Ibid.*, pp. 285-86. Francis Horner, a faithful student of Smith's text, wrote in 1800 of "an hour immediately after dinner, while the rapid progress of digestion clouds the powers of apprehension, employed in the lighter labour of culling flowers from the style of Gibbon" (*Memoirs*, I, 129).

⁶⁰ Dugald Stewart, *Account of the Life and Writings of Adam Smith, LL.D.*, in *Collected Works*, X, 65.

In printing his memoir of Adam Smith read in January–March, 1793, to the Royal Society of Edinburgh, Dugald Stewart declared that at that period

it was not unusual, even among men of some talents and information to confound, studiously, the speculative doctrines of Political Economy, with those discussions concerning the first principles of Government which happened unfortunately at that time to agitate the public mind.⁶¹

But the very same year, 1793, witnessed the appearance of Godwin's *Political Justice* with its bold challenge to "a public that is panic struck, and impressed with the most dreadful apprehensions of such doctrines as are here delivered."⁶² We are told that the propriety of prosecuting Godwin was considered by the Privy Council; and Pitt is said to have dismissed the suggestion with the remark that "a three guinea book could never do much harm among those who had not three shillings to spare."⁶³ But the epigram if authentic was probably mere cover for sagacious appreciation of a change in the public mind. Four thousand copies of *Political Justice* were sold, and with its vogue liberalism became more than ever an issue in political and economic debate.

The influence of the *Wealth of Nations* on political policy and legislative action was notable. The book early became the *vade mecum* of every aspiring publicist. Buckle has industriously located thirty-seven instances between 1783 and 1800 in which the *Parliamentary History* records an appeal to Adam Smith's authority.⁶⁴ As early as 1788, the author of *New and Old Principles of Trade Compared*—a turgid *réchauffé* of the arguments of the *Wealth of Nations* as to the advantage of agriculture over commerce and of freedom of trade over mercantilist policies—asserted that Adam Smith was "an author of the first consideration, to whom the age is deeply indebted, and whose

⁶¹ *Collected Works*, X, 87, n. G; quoted in Rae, *op. cit.*, p. 292.

⁶² Preface, xii.

⁶³ H. N. Brailsford, *Shelley, Godwin and Their Circle* (New York ed.), pp. 91–92.

⁶⁴ *History of Civilization in England*, chap. iv, n. 60; *ibid.* (Amer. ed.; New York, 1890), I, 154–55.

work if abridged and somewhat differently arranged would become the manual of every reflecting politician." In 1792 Pitt declared that Smith's "extensive knowledge of detail and depth of philosophical research will, I believe, furnish the best solution of every question connected with the history of commerce and with the system of political economy."⁶⁵ In 1797 Pulteney appealed to "the authority of Dr. Smith, who, it was well said, would persuade the present generation, and govern the next."⁶⁶ In 1800 Grenville could remind Pitt of their common conviction as to "the soundness of Adam Smith's principles of political economy."⁶⁷

The influence of Adam Smith was potent in the domain of thought no less than in the field of action. The twenty-five years were far from barren of economic writings, and there was minor dissent from various quarters as to certain of Adam Smith's conclusions.⁶⁸ David Hume insisted, in curious anticipation of the Ricardian doctrine, that high prices were the cause, not the effect, of high rents. Jeremy Bentham filed a cogent brief against the impolicy of usury laws. Governor Pownall arraigned Smith's condemnation of the monopoly of the colonial trade.⁶⁹ The agricultural reformers stirred uneasily at Adam Smith's renunciation of the paramount importance of agriculture. The author of the Physiocratic *The Essential Principles of the Wealth of Nations illustrated, in opposition to some false doctrines of Dr. Smith and others* urged the complete adoption of the doctrines of the *Économistes*. James Anderson stood out vigorously for the utility of corn-law bounties. Arthur Young admitted that he knew of "no abler work" than the *Wealth of Nations*, but added that he knew of none "fuller of poisonous errors."⁷⁰

From the quarter where economic protest was most to have

⁶⁵ Rae, *op. cit.*, pp. 290-91.

⁶⁶ Buckle, *op. cit.*, I, 155.

⁶⁷ "Grenville," in Palgrave, *Dictionary of Political Economy*.

⁶⁸ See the present writer's "Development of the Theory of Money from Adam Smith to David Ricardo," *Quarterly Journal of Economics*, May, 1911, p. 430.

⁶⁹ Rae, *op. cit.*, p. 318.

⁷⁰ Hollander, *David Ricardo: A Centenary Estimate* (Baltimore, 1910), p. 20.

been expected—revolutionary radicalism—there was little or nothing heard. The explanation is found in the fact, as Hall has pointed out, that the early English Radicals were chiefly interested in political reform. Price, Priestley, Horne Tooke, Cartwright, and Paine directed their assaults against the political constitution of society rather than its economic organization.⁷¹ There was, it is true, complaint against economic want, but the elements held accountable were unwise political institutions and proximate economic abuses. There was no serious challenge of ultimate economic principles. Thomas Spence in 1775 urged the nationalization of land. Whitbread in 1795 championed a return to the Elizabethan assessment of agricultural wages by justices of the peace. Paine proposed a redistribution of income through an inheritance tax on all landed property, and minor writers were at hand with reforms as specific as the construction of public granaries and the prohibition of hair powder.⁷²

Despite an occasional note of criticism, the doctrinal supremacy of the *Wealth of Nations* thus remained virtually unchallenged from the date of its appearance in 1776 to the closing years of the eighteenth century. The economic thought, even more than the commercial policy and the financial practice, of Great Britain was dominated by Adam Smith.

Adam Smith lectured at the University of Glasgow as professor of moral philosophy on "Justice, Police, Revenue, and Arms" from 1752 to 1764—this exclusive of his earlier course in Edinburgh. The lectures at once attracted attention. Reid, Smith's academic successor, noted in 1764 that "there was a great spirit of inquiry abroad among the young people in Glasgow," and this result John Rae, Smith's biographer, ascribes to Smith's course:

It had taught the young people to think. His opinions became the subjects of general discussion, the branches he lectured on became fashionable in the town, the sons of the wealthier citizens used to go to College to take his class though they had no intention of completing a university course,

⁷¹ W. P. Hall, *British Radicalism, 1791-1797* (New York, 1912).

⁷² *Ibid.*, p. 153.

stucco busts of him appeared in the booksellers' windows, and the very peculiarities of his voice and pronunciation received the homage of imitation.⁷³

More specifically, the lectures on politics and economics attained popularity. Mr. Rae is of the opinion that in regard to the doctrine of free trade "not the least remarkable result of his thirteen years' work in Glasgow was that before he left he had practically converted that city to his views." Certainly we know from contemporary evidence that during Smith's professorship in Glasgow many leading merchants of the city became "convinced proselytes of free trade principles." Sir James Stewart records his failure, in 1763, to "enlist them in favor of protection" because "Smith had already succeeded in persuading them completely in favor of the free importation of corn."⁷⁴

Of any direct and immediate influence exercised by Adam Smith's lectures upon economic study and thought, I can find no trace. Mr. Rae inclines to the opinion that Foulis reprinted his economic tracts in 1750 at Smith's suggestion;⁷⁵ but there is no positive evidence as to this, and the occasion was more probably the economic awakening of which Adam Smith's original lecture course was indeed a phase.⁷⁶

Of the size and composition of Smith's audience we know nothing except that theological students seem to have formed a considerable part. The exposition itself was earnest and dignified, but neither eloquent nor stimulating. There is likewise no trace of any collateral accompaniment of the course in the form of required reading or class discussion. In a word, the influence of Adam Smith upon economic thought was exerted through the printed page.

The earmarks of a scientific school have been defined by Higgs as "an alliance of persons, a community of ideas, an acknowledged authority and a combination in purpose, which banded them into a society apart."⁷⁷ So understood, the physiocrats were certainly not only "the first scientific school of political economy," but, it might be added, the only school.

⁷³ *Op. cit.*, p. 59.

⁷⁴ *Ibid.*, p. 61.

⁷⁵ *Ibid.*, p. 76.

⁷⁶ Cf. p. 155, *supra*.

⁷⁷ *The Physiocrats* (London, 1897), p. 3.

It is in a less rigorous but perhaps in a more substantial and a more enduring sense that I have ventured to appraise Adam Smith as "the founder of a school." The term "Smithians" is a barbarism, and "Smithianismus" has been vested with a depreciatory implication. But neither phrase suggests so intimately the quality of Adam Smith's impress upon contemporary and succeeding opinion as the formal title here used.

In a scintillating address, forming part of a course of lectures wherein British economists, much after the manner of the present series, have lately commemorated the hundred and fiftieth anniversary of the *Wealth of Nations*, Dr. James Bonar has explored the textual use and real content of the term "the classical economists." The conclusion is reached, in agreement with the careful phrasing of the thinker whom we too can term "our lamented leader," Alfred Marshall, that an author was not for him "classical"

unless either by the form or the matter of his words or deeds he has stated or indicated architectonic ideas in thought or sentiment, which are in some degree his own and which once created, can never die but are an existing yeast ceaselessly working in the cosmos.⁷⁸

This serves as prologue to the thesis that "broadly speaking, in the England of the 19th century the word ["classical"] stood for the followers of the Classical Tradition proceeding from the *Wealth of Nations*."⁷⁹

It is proper to appraise Adam Smith as the first and greatest of "the classical school." But the warrant lies somewhat beyond, although in general accord with, the criteria proposed. Adam Smith's classicism, if the term may be ventured, his title as "the founder of a school," lies in some degree in the formative quality of his thought. But much more it resides in the stimulus, often the original impetus given to succeeding thinkers to initi-

⁷⁸ *The Tables Turned* (London, 1926), p. 6.

⁷⁹ *Ibid.*, p. 7. The passage is extracted from a characteristic letter (September 27, 1898) of Marshall to Bonar (*Memorials of Alfred Marshall* [ed. Pigou; London, 1925], p. 374). "With that definition," Marshall continues, "I can to my own satisfaction say pretty well whom I regard as classical economists. I think that such a large proportion of them wrote in the half century 1770-1820 that that is rightly called the classical epoch."

ate and pursue inquiries into economic life, sometimes in supporting continuation of, more often in divergent opposition to, Smith's principles.

This influence is associated with the commentatorial activity of Dugald Stewart, the critical discipleship of Francis Horner and "the first Edinburgh reviewers," and the intellectual enlistment of Thomas Robert Malthus, Jean Baptiste Say, and David Ricardo.

Dugald Stewart succeeded his teacher, Adam Ferguson, in the chair of moral philosophy at Edinburgh in 1785. Following the traditional scope of Scotch philosophical teaching, the course of instruction included lectures on the theory of government and might naturally have been expected to broaden out so as to embrace an examination of economic institutions.

But before this expansion had taken considerable shape, the reaction from the French Revolution had put fetters upon intellectual freedom in Great Britain. Lord Cockburn records, in connection with Stewart's presentation, in January–March, 1793, to the Royal Society of Edinburgh of the *Account of the Life and Writings of Adam Smith*, referred to above, that the occasion was awaited with impatience by Stewart's enemies in the confident hope that he would be led into indiscreet utterance. Stewart himself declared, some years later, that, at the time the *Account* was read,

the doctrine of a Free Trade was itself represented as a revolutionary tendency; and some who had formerly prided themselves on their intimacy with Mr. Smith, and on their zeal for the propagation of his liberal system, began to call in question the expediency of subjecting to the disputations of philosophers, the arcana of State Policy, and the unfathomable wisdom of the feudal ages.⁸⁰

As a matter of fact, in printing the memoir of Adam Smith, Stewart confined himself to "a much more general view" of the contents of the *Wealth of Nations* than he had originally intended,⁸¹ and in later years he frankly explained the omission of "comments and criticisms" as made necessary by the then state

⁸⁰ *Collected Works*, X, 87.

⁸¹ *Ibid.*, p. 53.

of the public mind.⁸² How well justified was this prudence is evidenced by the bitter protest in February, 1794, of Lord Abercromby—communicated to Stewart through Lord Craig—against essentially unoffending passages on “the use and abuse of general principles in politics” in Stewart’s *Elements of the Philosophy of the Human Mind*, published in 1792.⁸³ Stewart’s reply was a dignified and convincing refusal to make the recantation demanded. But with all, there was a certain discreet bending to the storm: “As soon as I understood that the scope of some of my observations had been mistaken by a few whose characters I respect, I was anxious to guard against the possibility of such misapprehension” by the insertion of certain conservative passages in the memoir of Adam Smith, and only the fault of the printer had delayed publication. Stewart added:

I shall ever regret that I dishonored some of my pages by mentioning with respect the name of Condorcet; but when my papers were sent to the press, he was quite unknown in any public capacity, and he enjoyed the friendship of the most respectable men in Europe.

But, most significant of all, Stewart stated:

Ever since I was Professor of Moral Philosophy, I have concluded my course with a set of Lectures on the English Constitution, the peculiar excellencies of which I have always enlarged upon in the warmest and most enthusiastic terms. In treating of this subject, I have been so uniformly impressed with a sense of the importance of my situation, that among all the interesting questions which have, during the last nine years, divided our political parties, I have never introduced the slightest reference to any of them excepting in the single instance of the African trade, on which I formerly expressed myself with some warmth;—and even these expressions I dropped from my course, as soon as it became matter of popular discussion.⁸⁴

Our knowledge as to the nature and substance of Stewart’s economic teaching from 1785 to 1793 rests entirely upon the scanty syllabus contained in his *Outlines of Moral Philosophy*,

⁸² *Ibid.*, p. 87.

⁸³ *Ibid.*, pp. lxx–lxii.

⁸⁴ *Ibid.*, pp. lxxii–lxxiv.

first published in 1793.⁸⁵ Part III of this general course treated “Of Man Considered as the Member of a Political Body.” It was subdivided into chapter i, “Of the History of Political Society,” and chapter ii, “Of the General Principles of Legislation and Government”; chapter ii was in turn subdivided into section i, “Of Political Economy”—comprising the four topics, “Population,” “National Wealth,” “Slavery,” and “Education”—and section ii, “Of the Different Functions of Government.”

In explanation of the minor place given to politico-economic institutions, Stewart stated in the Preface to the *Outlines*:

The branch of Moral Philosophy which relates to the Principles of Politics being less abstract than the others, I have contented myself with a simple enumeration of the most important articles treated of in the third part of my course. It is scarcely necessary for me to mention, that, in this enumeration, I have not aimed at anything approaching to systematical arrangement; and that, in illustrating the titles it contains, I am obliged, by the term prescribed to my academical labours, to confine myself to very general sketches. As soon as my other engagements allow me sufficient leisure for such an undertaking, I shall attempt a separate Course of Lectures on this very extensive and difficult subject.

The sensitive state of public opinion indicated by the reception accorded the *Elements* in 1792 and the *Account of Adam Smith* in 1793 probably delayed the “separate course of lectures” beyond the time Stewart had contemplated. By 1800 the sky had cleared enough of revolutionary reaction, and Stewart’s position in the intellectual and social world had become sufficiently secure, to justify an independent survey. Accordingly, in the winter of 1799–1800, Stewart offered a separate course of lectures on political economy, the lectures on economic topics being then removed from the general course, and their place

⁸⁵ I have not this 1793 edition and can infer its contents only from the second “enlarged” edition published in 1801, with a “postscript” explaining the alterations. Of this edition, the text in the *Collected Works* (VIII, 3–6), although a later redaction, gives a serviceable basis. I have also no exact knowledge of the economic content of the *Elements* (1792) since the *Collected Works* reprint a later edition. But it is unlikely to have been anything more than the section on the “use and abuse of general principles in politics” which excited Abercromby’s ire (*supra*). This section was retained unchanged with an explanatory note in the second (1802) edition and probably in the later editions of the *Elements* (see *Collected Works*, II, 219).

taken by "a few others, calculated to illustrate the peculiar and intimate connexion between this department of Politics and the more appropriate objects of Ethics."⁸⁶ This "separate course" on political economy was repeated each year thereafter, practically until Stewart's retirement from academic office in 1809-10.

Dugald Stewart's "separate course," in so far as appears from the imperfect record preserved, consisted of a preliminary survey of the scope and development of political economy followed by a detailed consideration of population, national wealth, the poor, and, possibly, of police and of education, the whole divided into many heads and subheads. The classification was, however, less in accord with any formal theory—although the later composed Introduction makes labored attempt to demonstrate this—than to avoid any slavish following of the plan Adam Smith had used.

As a matter of fact, few of the topics, essential or incidental, of the *Wealth of Nations* escaped Stewart's attention. From year to year the original was revised and supplemented, and after Stewart's retirement from academic office there was further redaction with a view to ultimate publication. The completed manuscript was, however, burnt by Stewart's son in 1837 or earlier, so that Sir William Hamilton, in editing the *Lectures on Political Economy* for their first publication in 1855,⁸⁷ was obliged to have recourse to an earlier draft supplemented by student reports.

Whatever uncertainty there may be as to the precise content of Dugald Stewart's lectures, there is no doubt whatever as to their remarkable influence in encouraging interest in economic study and in stimulating independence in economic thinking. The announcement of the course created a sensation in academic and political circles. Revolutionary reaction had waned, but the public-mind opinion still associated such instruction with "questions touching the constitution of government," and "no ordinary audience could be collected to whom the elements and phraseology of the science were not matters of surprise." In

⁸⁶ *Collected Works*, VIII, 3.

⁸⁷ *Ibid.*, Vols. VIII and IX.

more advanced minds, the shock came from the formal entry of a "gospel of mammon" into the university curriculum. Lord Cockburn notes:

It was not unusual to see a smile on the face of some, when they heard subjects discoursed upon seemingly beneath the dignity of the Academical Chair. The word *corn* sounded strangely in the Moral Class, and *drawbacks* seemed a profanation of Stewart's voice.⁸⁸

The attendance was small, the average number of students during the eight sessions being forty-nine, and the withdrawal of the course for want of students being at times contemplated.⁸⁹ But the quality of the student body was extraordinary. After the death of Reid, in 1796, Stewart remained the only distinguished philosophical teacher in Great Britain.⁹⁰ The progress of the war had put restraint upon European travel, and a session in Edinburgh took the place of the "grand tour" in the education of young men for a public career. Political philosophy had been invested with a new and alluring interest by the debates of the preceding decade, and attendance upon such a course had the appeal of a daring venture. Indeed, the response came not only from undergraduates. Veitch notes that the class included "also, and even chiefly, an audience of riper years, especially members of the bar,"⁹¹ and George Pryme, of Trinity College, Cambridge, records in 1819 that "several Members of our own University went from the South of England to pass the winter at Edinburgh, for the purpose of attending them."⁹²

Some part of the effectiveness of the course was due to Stewart's amazing eloquence. Dr. John Thomson, professor of general pathology in the University of Edinburgh, declared that the two things by which he was most impressed in the course of his life were the acting of Mrs. Siddons and the oratory of Dugald Stewart.⁹³ James Mill's testimony is even more striking:

⁸⁸ John Veitch, "Memoir of Dugald Stewart," *Collected Works*, X, li.

⁸⁹ *Ibid.*, pp. lxviii, lii.

⁹⁰ Leslie Stephen, *Dictionary of National Biography*, *sub nom.*

⁹¹ *Collected Works*, X, lv.

⁹² *A Syllabus of a Course of Lectures on the Principles of Political Economy* (2d ed.; Cambridge, 1819), pp. vii-viii.

⁹³ *Collected Works*, X, xxxviii.

"I have heard Pitt and Fox deliver some of their most admired speeches; but I never heard anything nearly so eloquent as some of the lectures of Professor Stewart."⁹⁴ If, as Professor Bain suggests, this appreciation was the stirring of Mill's own philosophical aptitude, there still remain Lord Cockburn's opinion that "Dugald Stewart was one of the greatest of didactic orators,"⁹⁵ and Francis Horner's tribute:

It is not so much from the detail of particulars that I derive improvement from this amiable philosopher's lectures, as from the general manner and spirit with which he unfolds his speculations, and delivers, in chaste and impressive language, the most liberal and benevolent sentiments, the most comprehensive and enlightened views.⁹⁶

The correlation of economic discussion with general philosophical principles lent dignity to the treatment, and the eloquence of the lecturer added to its attractiveness. But the attendants were not encouraged, perhaps were not even permitted, to remain admiring auditors. At the conclusion of his course at the 1803-4 session, Stewart remarked that he had intended "to have marked out a plan of reading on the different subjects which have been under our review."⁹⁷ Lacking time for this and realizing that "an enumeration of a long list of books might, not improbably, have had the effect (at least with my younger hearers) of distracting the attention, by leading to the perusal of a multiplicity of discordant and inconsistent theories," Stewart confined himself to "a few authors whose works appear to me most likely to be useful to you in the farther prosecution of these studies." Following the general arrangement of his course, Stewart recommended, under the head of "Population," Wallace's *On the Numbers of Mankind*, Hume's *Of the Populousness of Ancient Nations*, Malthus' *On the Principle of Population*. With respect to "National Wealth," the students were advised to study Adam Smith's *Wealth of Nations* as "the book

⁹⁴ Alexander Bain, *James Mill: A Biography* (London, 1882), p. 16.

⁹⁵ *Collected Works*, X, xlv.

⁹⁶ Leonard Horner (ed.), *Memoirs and Correspondence of Francis Horner*, M.P. (London, 1843), I, 130.

⁹⁷ *Collected Works*, X, 458.

with which the student may, with most advantage, *begin* his researches on this subject," and thereafter to consult Sir James Steuart's *Inquiry into the Principles of Political Economy*, Turgot's *Reflections on the Formation and Distribution of Riches*, Mercier de la Riviere's *Natural and Essential Order of Political Societies*, Dupont de Nemour's *Physiocratie*, and Lauderdale's *Public Wealth*. Upon the topic of "Legislation of Grain," Smith's *Three Tracts on the Corn Laws* was recommended; and upon "The Poor," Eden's *The State of the Poor* was particularized.

The actual enrolment included,⁹⁸ for the most part in the early sessions, James Mill, John Ramsay McCulloch, Thomas Chalmers, the Earl of Lauderdale, Henry Brougham, Francis Horner, Francis Jeffrey, Macvey Napier, Sydney Smith, Archibald Allison, Lord Webb Seymour, Henry Cockburn, Viscount Palmerston. These were the men who contributed most—as text-writers, as editors, as publicists, as reviewers, and as journalists—to the revival of economic study in England in the decade then beginning.

The effect of Dugald Stewart's instruction upon the student mind may be traced in the mental history of Francis Horner. Horner was born in 1778. He was a student at the University of Edinburgh from 1792 to 1795. During some part of this time he attended Stewart's course in philosophy, and followed with interest the lectures dealing with economic principles. In 1795, to rid his speech of "the Scotch burr," he was sent to England to pursue courses of study and reading. During this time he retained his interest in political economy. His letters to Lord Murray, then a student at Edinburgh, repeatedly express a desire to carry on economic discussion: "Let us be the Beaumont and Fletcher of metaphysics," and, more specifically: "Come, I order you in the name of Hume, and Smith and Dugald Stewart, to select a question immediately, and to begin upon it in your very first letter."⁹⁹

⁹⁸ *Ibid.*, p. liv.

⁹⁹ A little later he adds: "The controversy would be much the better for our friend Brougham's assistance and I shall give him a hint" (*Memoirs*, I, 91).

Horner returned to Edinburgh in October, 1797, to prepare for admission to the bar two years thereafter. He marked out an elaborate course of reading in literature, philosophy, jurisprudence, and political economy. In particular, Condorcet and Turgot engaged his interest, a collected edition of the latter's economic writings being seriously contemplated. In November, 1798, he enrolled as a member of "Stewart's Class of Moral Philosophy," and records, on February 19, 1799, that he had "entered on a plan, with Lord Webb Seymour, of discussing with him, after Stewart's lecture, the different arguments or topics which it comprehended."

The first detailed reference to Stewart's "separate course" is contained in a letter of January 23, 1800, to Erskine:

Professor Stewart has lately begun a course of lectures on Political Economy; and though his plan is not quite so comprehensive as he proposes to render it next winter, yet I promise myself great instruction; and I hope he will at least have the influence to make this captivating science more popular than it has been for some time past, and that he will render us familiar with those liberal enlarged views which he forms upon sciences.

At this juncture (May, 1800) Horner realized that economic study was not merely a matter of texts, but of industrial observation. He proceeds, accordingly, rather cumbrously to acquire acquaintance with actual industrial processes, beginning with the manufacture of tobacco pipes, "which is a very neat operation," and the manufacture of iron, which is "not only the soul of every other manufacture, but the mainspring perhaps of civilized society." He also aspires to acquire a facility of interrogating "the lower orders," possessed by Locke and Franklin in an eminent degree:

To collect information from workmen is a matter of some address, for they are in general mere machines, and not unfrequently more ignorant, literally speaking, than the tools which they employ. I may gain sufficient practice of this address in the new manufactories that are in the neighbourhood of this place, to prepare me for more ample opportunities.

Horner enrolled in the second session of Stewart's lectures in December, 1800, and supplemented classroom attendance by systematic reading of economic texts. He agreed with Lord

Webb to read, or rather re-read, the *Wealth of Nations*, and “to date from this day the commencement of a regular course of political economy” (I, 157). It is possible to follow almost week by week in Horner’s remarkable journal and correspondence his further development as a political economist, under the joint stimulus of Adam Smith’s text and Dugald Stewart’s comment. A single paragraph, of enough significance to atone for its length, must suffice:

We have been under the necessity of suspending our progress in the perusal of the *Wealth of Nations*, on account of the insurmountable difficulties, obscurity, and the embarrassment in which the reasonings of the 5th chapter are involved. It is amusing to recollect the history of one’s feelings on a matter of this kind: many years ago, when I first read the *Wealth of Nations*, the whole of the first book appeared to me as perspicuous as it was interesting and new. Some time afterwards, while I lived in England, I attempted to make an abstract of Smith’s principal reasonings; but I was impeded by the doctrine of the real measure of value, and the distinction between nominal and real price: the discovery that I did not understand Smith, speedily led me to doubt whether Smith understood himself, and I thought I saw that the price of labour was the same sort of thing as the price of any other commodity; but the discussion was too hard for me, and I fled to something more agreeable because more easy. The next incident that I can recollect of this narrative, is the pleasure I received from finding in a pamphlet by Lord Lauderdale, of which Professor Dalzel gave me a copy, that what had puzzled me appeared decidedly erroneous to him, and was rejected without ceremony. Mr. Stewart also devoted an elaborate lecture to this curious subject; his refutation of Smith’s argument appeared to me at the time demonstrative, but the principles he proposed to substitute were not quite so satisfactory. The subject has again come before me, and I hope, with Lord Webb’s aid, not to quit it without making something of it. In utter despair, however, of conducting the investigation successfully without more materials than Smith furnishes, we have betaken ourselves to some treatises in which the doctrine of money is examined in a more elementary manner.

A striking exhibit of Dugald Stewart’s influence was the prominence of economic criticism in the newly founded *Edinburgh Review*. Sydney Smith has described the circumstances under which the venture was conceived:

Towards the end of my residence in Edinburgh, Brougham, Jeffrey, and myself happened to meet in the eighth or ninth story or flat in Buc-

cleugh Place, the then elevated residence of Mr. Jeffrey. I proposed that we should set up a *Review*; this was acceded to with acclamation; I was appointed editor and remained long enough in Edinburgh to edit the first number of the *Review*.¹⁰⁰

Francis Horner's interest was promptly enlisted, and the initial number appeared in October, 1802—a larger product of Stewart's lecture-room. The project was indeed designed to effect practical reform rather than to afford philosophical exercise. From the outset it set itself to oppose in politics, in economics, and in jurisprudence that "timorous acquiescence in the actual system" which Walter Bagehot describes as a characteristic of the early nineteenth century.¹⁰¹

In the field of economic relations, its editors—idealists yet not dreamers—attempted nothing less than the formation and spread of a sound public opinion. "The principles of political economy were little understood," was Sydney Smith's opinion,¹⁰² enforced by citation of the charges of the judges to county juries a few years before that the prevailing scarcity of grain was due to combinations of farmers. Even in more enlightened circles, Francis Horner lamented, "the superstitious worship of Adam Smith's name" stood as a bar to independent thought.

Yet in economic affairs the *Review* served as something more than "the doctrinal organ of the Whigs."¹⁰³ It became the rostrum from which expert judgment—sometimes biased, often truculent, but rarely incompetent—appraised the economic writings and happenings of the period. Over and above its achievement in affairs, there was thus an educational service and a scientific contribution. In a troubled decade when stirring events were turning men's minds to economic thinking, the *Review* was the only competent guide and expositor of economic literature intermediate between newspaper and treatise. Issue after issue was distinguished by some essay-like critique from the pen of Francis Horner, of Richard Jeffrey, of Sydney Smith, of Henry

¹⁰⁰ Lady Holland, *A Memoir of the Reverend Sydney Smith* (London, 1885), I, 22-23.

¹⁰¹ "The First Edinburgh Reviewers," *Works* (Hartford, 1891), I, 13.

¹⁰² *Ibid.*, p. 14.

¹⁰³ *Ibid.*

Brougham—a little later, of Malthus, James Mill, and McCulloch.

The exactness with which the output of economic literature was followed is seen in a list of the leading economic papers appearing in the first twenty or more issues of the *Review*:

- 1802, Oct. Thornton, *Inquiry into the Nature and Effects of the Paper Credit of Great Britain* (1802).
- 1803, Jan. Canard, *Principes d'Économie Politique* (1801).
- 1803, Apr. Guineas an Unnecessary and Expensive Incumbrance on Commerce (1802).
- 1803, July. Lord King, *Thoughts on the Restriction of Payments in Specie at the Banks of England and Ireland* (1803).
- 1803, Oct. Wheatley, *Remarks on Currency and Commerce* (1803).
- 1804, Jan. Bishop of Landaff, *Intended Speech on the National Debt* (1803).
- 1804, Apr. Dumont (ed.), *Bentham's Principles of Legislation* (1802).
- 1804, July. Earl of Lauderdale, *Inquiry into the Nature and Origin of Public Wealth* (1804).
- 1804, Oct. (a) *Plans of National Improvement* (1803); (b) *Observations on the Bounty upon Exported Corn* (1804).
- 1805, Jan.¹⁰⁴
- 1805, Apr. Toulougeon, *De l'Usage du Numeraire dans un grand État* (1804).
- 1805, July. Earl of Lauderdale, *Hints to the Manufacturers of Great Britain* (1805).
- 1805, Oct. Earl of Selkirk, *Emigration from Scotland* (1805).
- 1806, Jan. Earl of Liverpool, *Treatise on the Coins of the Realm* (1805).
- 1806, Apr. Oddy, *European Commerce* (1805).
- 1806, July. Macpherson, *Annals of Commerce* (1805).
- 1806, Oct. Foster, *Essay on the Principles of Commercial Exchanges* (1804).
- 1807, Jan. Filangieri, *Science of Legislation* (trans. Clayton; 1806).
- 1807, Apr. Lord Henry Petty, *Plan of Finance* (1807).
- 1807, July. Wheatley, *Essay on the Theory of Money and Commerce* (1807).
- 1807, Oct. *Inquiry into the Effects of the Principles of the Poor Laws* (1807).
- 1808, Jan. Spence, *Britain Independent of Commerce* (1807).

¹⁰⁴ There was default as to a long-delayed critique of Malthus' *Essay on Population*: "The person into whose hands it was put, has disappointed us, from indolence or other occupations, or a sense of the difficulty and extent of Mr. Malthus's speculations" (October, 1804, p. 191 n.).

- 1808, Apr. *The Orders in Council* (1808).
 1808, July. Newenham, *Statistical and Historical Inquiry into the Population of Ireland*.
 1808, Oct. Smith, *Essay on the Theory of Money and Exchange* (1807).
 1809, Jan. *Pamphlets on West Indian Affairs* (1808).
 1809, Apr. Spence, *Agriculture the Source of the Wealth of Britain* (1808).

In addition to the detailed review of more important economic books, briefer notices were inserted of minor publications; and a "Quarterly List of New Publications" enumerated, under the heading "Political Economy," tracts and pamphlets not otherwise noted.

The quality of the reviews was in the main distinguished. A high standard was set at the very outset by Francis Horner's notice of Thornton's *Paper Credit*, published in the first number. "The analysis of Thornton cost me a considerable degree of trouble," recorded Horner in his journal, "but this labor has served to break up the ground in one of the most necessary fields of political economy." However short of its author's estimate the critique may have fallen, it succeeded in laying before an influential public a succinct statement of the theory of paper money and an accurate description of the existing credit mechanism, and at the same time suggested that which it did not expose—the defects in Thornton's explanation of the influence of the existing paper currency upon the actual state of prices.¹⁰⁵

The temper of criticism was less admirable, being at times characterized by a certain eighteenth-century vehemence. Sometimes this became Johnsonian. An unfortunate tract in defense of the bank restriction (*Guineas an Unnecessary and Expensive Incumbrance on Commerce*, 1802) was introduced with a paragraph which accords not unfairly with Jeffrey's welcome to the *Excursion*:

We have seldom met with a more contemptible performance. Ignorant of the very language of political œconomy, and grossly mistaken in the first principles of the science, the author has the confidence to treat of the most difficult matters of finance, and to utter his crude half-formed and incoherent opinions. . . .¹⁰⁶

¹⁰⁵ Hollander, "Development of the Theory of Money from Adam Smith to David Ricardo," *op. cit.*, p. 454.

¹⁰⁶ *Edinburgh Review*, April, 1803, p. 101.

In 1798 appeared a loosely printed octavo of some four hundred pages, *An Essay on the Principle of Population, as it affects the Future Improvement of Society, with Remarks on the Speculations of Mr. Godwin, M. Condorcet, and other Writers*. The publication marked the entry of Thomas Robert Malthus into the field of economic discussion. The début was, however, as indirect as it was masked. The *Essay* may be fairly described as a polemic participation in a running controversy in political science and social philosophy, rather than a deliberate contribution to economic speculation. Its antecedents were socio-philosophical texts; its inspiration was political controversy.

It has long been customary to imply this fact in the general summary that Malthus' *Essay* was evoked by Godwin's *Enquirer*. But such statement is misleading in encouraging the impression that the keynote of the *Essay*, "the principle of population," sprang full armed from an economist's brow. From the time of Montesquieu, speculation upon "the future improvement of mankind"¹⁰⁷ through political action had been a favorite philosophical diversion. With the development of the French Revolution and appearance of political radicalism, this debate as to "the perfectibility of man and of society"¹⁰⁸ grew to engage "a considerable proportion of the public attention."

Political idealism had expressed itself in Wallace's *Prospects of Mankind* (1761), in Godwin's *Political Justice* (1793), and in Condorcet's *Progrès de l'Esprit Humain* (1794). Each of these advocates in clearing the ground of opposing argument had of necessity paid attention to the contention, already then familiar, that the pressure of population upon subsistence would arrest the well-being of the new order. Thus Wallace asserted that no difficulty would arise from this cause "till the whole earth had been cultivated like a garden, and was incapable of any further increase of produce."¹⁰⁹ Condorcet, while admitting the hypothetical possibility of an increase in the numbers of men beyond their means of subsistence, maintained that such an event could take place only "at an æra, when the human race will have attained improvements, of which we at present can

¹⁰⁷ Preface, *Essay* (1798), p. ii.

¹⁰⁸ *Ibid.*, p. 7.

¹⁰⁹ *Ibid.*, p. 143.

scarcely form a conception."¹¹⁰ Godwin declared more vaguely that "myriads of centuries of still increasing population may probably pass away, and the earth be still found sufficient for the subsistence of its inhabitants";¹¹¹ while even thereafter "when the earth shall refuse itself to a more extended population" mankind through the decline of the sexual instinct "will probably cease to propagate."¹¹²

To Malthus, casting about for a vulnerable point in the larger issue, such treatment seemed cavalier: "All the writers on the perfectibility of man and of society, who have noticed the argument of an overcharged population, treat it always very slightly, and invariably represent the difficulties arising from it, as at a great and almost immeasurable distance."¹¹³

The *Essay* was thus neither novel in purpose nor original in argument. The central doctrines of Condorcet's *Progrès* and Godwin's *Political Justice*—human perfectibility and "administrative nihilism"—had already been assailed from more than one quarter. The eventual pressure of mankind upon subsistence had been noted by writers of the seventeenth and eighteenth centuries, to the extent of becoming a commonplace in conjectural history. The application of this "principle of population"—even the term had been used by Arthur Young and by Godwin¹¹⁴—in opposition to schemes of social regeneration had become so familiar that the later political idealists reviewed it only as a familiar objection of the market place. Malthus entered the lists with a weapon sharpened and furbished, but not new in the sense of one theretofore unknown or even unused.

The real significance of what Malthus did was precisely what Ricardo did a decade later in the matter of the theory of money: to revive a familiar argument in a pending controversy, to clarify it by precise definition, to fortify it by positive evi-

¹¹⁰ *Ibid.*, p. 152.

¹¹¹ *Enquiry concerning Political Justice*, II (1793), 861.

¹¹² *Ibid.*, p. 871.

¹¹³ *Essay*, p. 142.

¹¹⁴ *Political Arithmetic* (London, 1774), p. 61; *Political Justice* (London, 1793), Book VIII, chap. vii, title.

dence, to maintain it thereafter against controversial assault, and to establish it not so much as the barrier to the doctrine of social perfectibility, but as a factor to be reckoned with in theories of economic distribution.

In doing this, not only did Malthus the political controversialist become Malthus the economist, but the writing and thinking incident to the controversy passed from political to economic. "Originally he had used the principle of population merely as a weapon in his argument with his father about perfectibility."¹¹⁵ But, from the appearance of the *Essay*, "he studied it for its own sake." In part this was due to the intense resentment which the doctrine created and the necessity for defending it from acrimonious attack; in part it was the response of Malthus' awakened interest as thinker and student.

The transition is apparent in the chronicle of Malthus' writings. Before the *Essay* in 1798, Malthus had only written *The Crisis*, "a Whig tract" never published.¹¹⁶ Thereafter his activity was incessant. In 1800 appeared *An Investigation of the Cause of the Present High Price of Provisions*, still without signature. The second edition of the *Essay* was published over his full name in a stout quarto in 1803; the third in two octavo volumes in 1806, with an Appendix containing replies to critics, also published separately in quarto the same year; and the fourth without change in 1807. The *Letter to Samuel Whitbread* upon the proposed amendment to the poor-law saw light in March, 1807, and a paper on the economic condition of Ireland in the *Edinburgh Review* in July, 1808. More important than the foregoing was Malthus' relinquishment of active clerical duties to accept the professorship of history and political economy at the newly established Haileybury College in 1807. It was the first academic recognition of the science in England proper, and Malthus' incumbency lent new dignity to the study and afforded favorable occasion for its pursuit.

At the time the first edition of the *Essay* appeared, Malthus

¹¹⁵ Edwin Cannan, *History of the Theories of Production and Distribution* (London, 1893), p. 133.

¹¹⁶ James Bonar, *Malthus and His Work* (1924 reprint), p. 7.

as an economist was in all essentials in agreement with Adam Smith. His acquaintance with economic literature was inconsiderable, hardly extending beyond Hume, Adam Smith, Godwin, Wallace, Price, Condorcet; and his interest in economic principles was minor, being subordinate to political science and social philosophy. In so far, however, as his economic opinions had any form, they were those of the *Wealth of Nations*. A chapter (xvi) of the *Essay* was devoted to the "probable error of Doctor Adam Smith in representing every increase of the revenue or stock of a society as an increase in the funds for the maintenance of labour." But it was introduced "with that diffidence, which I ought certainly to feel, in differing from a person so justly celebrated in the political world,"¹¹⁷ and it rested on the very doubtful ground that only an increase of foodstuffs and not of manufactures could have "the same good effect upon the condition of the poor."¹¹⁸

Beyond this there was deferential agreement. Adam Smith was one of the four authors "from whose writings I had deduced the main argument of the essay."¹¹⁹ Legislative intervention "to repress inequality of fortunes" was undesirable since "perhaps the generous system of perfect liberty, adopted by Dr. Adam Smith, and the French economists, would be ill exchanged for any system of restraint."¹²⁰ Adam Smith's observations on the relation of potato culture to population were cited with approval.¹²¹ The government of exclusive companies of merchants, "as Dr. Adam Smith says very justly," was the worst of all possible governments,¹²² and as to the respective effects of national parsimony and profusion, "Dr. Adam Smith's position is evidently true."¹²³

A critical exposition of the *Wealth of Nations* probably formed the nucleus of Malthus' Haileybury lectures. We have no means of knowing the form and content of the commentary. The *Inquiry into the Nature and Progress of Rent*, published in 1815, contained "the substance of some notes on Rent, which,

¹¹⁷ *Op. cit.*, p. 302.

¹¹⁸ *Ibid.*, p. 321.

¹¹⁹ *Ibid.*, Preface (2d ed., 1803).

¹²⁰ *Ibid.*, pp. 287-88 n.

¹²¹ *Ibid.*, pp. 136-37.

¹²² *Ibid.*, p. 103.

¹²³ *Ibid.*, p. 284.

with others on different subjects relating to political economy," Malthus had "collected in the course of his professional duties at the East India College."¹²⁴ In January, 1815, Ricardo could write to Malthus: "I hope your notes on Adam Smith are in great forwardness and ready for early publication."¹²⁵ Only one set of student's notes, taken many years later, exists; and this, Dr. Bonar records, "adds little to our knowledge of Malthus."¹²⁶ Ricardo's forecast is perhaps the fairest estimate: "I expect that they will not only be very useful in giving correct notions to the public, but also in calling the attention of those who are well informed in the science of political economy to many points which have hitherto escaped their consideration."¹²⁷

Jean Baptiste Say was born in Lyons on January 5, 1767, of a Protestant family which had been obliged to flee from France at the revocation of the Edict of Nantes, but which returned toward the middle of the eighteenth century.¹²⁸ Young Say received a good education, but through family reverses he was taken from school and put in a business office in Paris. Later, with his brother Horace, he went to complete his commercial studies in England, where the two lads were placed *en pension* in the village of Croyden. After a second commercial apprenticeship in London he returned to France, retaining a profound impression of his sojourn in England. He became an employee of a life insurance company, of which Clavière, later minister of finance, was manager. Clavière owned a copy of Adam Smith, of which no translation had yet been made into French. At his suggestion, Say read the book. "At once he sent for a copy to London, studied it, annotated it and thereafter kept it by him."¹²⁹

¹²⁴ Advertisement.

¹²⁵ J. Bonar (ed.), *Letters of Ricardo to Malthus, 1810-1823* (Oxford, 1897), p. 56.

¹²⁶ J. Bonar, in Palgrave, *Dictionary of Political Economy*, s.v. "Malthus."

¹²⁷ *Letters of Ricardo to Malthus*, p. 56.

¹²⁸ A. Clément, in Coquelin et Guillaumin, *Dictionnaire de L'Économie Politique* (Paris, 1873), s.v. "J. B. Say."

¹²⁹ *Ibid.*; cf. Gide and Rist, *History of Economic Doctrines* (Eng. trans.), p. 104, citing J. B. Say's letter to his brother, Louis Say, in 1827 (*Œuvres diverses*, p. 545).

Professor Charles Gide ranks Say with Adam Smith and Ricardo as "amongst the fathers of economic science," even though "very inferior to the first as regards historical and philosophical knowledge and to the second in originality and depth of view."¹³⁰ There is likely to be agreement with Gide's further detail that Say introduced a terminology and a schematization which served as "a model for innumerable subsequent treatises"; that he developed doctrines which, even though now "generally discarded," have "none the less exercised an enormous influence"; and that he "contributed fundamental ideas which will always be highly valued in the science."

Notable, too, was Say's influence in spreading interest in economic study. His most important work, the *Traité d'Économie Politique*, passed through many editions and was "the first really popular treatise in political economy ever published in France." It was widely translated and circulated. An American reprint (Philadelphia, 1830) of Prinsep's London translation of the fourth edition, with an Introduction and notes by Clement C. Biddle, was perhaps the most influential manual among serious students of political economy in the United States up to the Civil War.

The early life of David Ricardo is a remarkable story of self-help.¹³¹ Within a few years, probably before he was twenty-six, he had secured for himself economic independence. The problem of material cares disposed of, Ricardo allowed himself some relaxation from intent business activity. In part following an inclination of his boyhood, in part through the example and urging of a friend "with whom he was then very intimate," the young stockbroker devoted a part of his leisure to the popular branches of natural science—mathematics, chemistry, geology, and mineralogy. Many years later his sister told of having been invited as a child to witness some of the electrical experiments which Ricardo conducted with all the naïve pride of an amateur

¹³⁰ C. Gide, in Palgrave, *Dictionary of Political Economy*, s.v. "J. B. Say."

¹³¹ Hollander, *David Ricardo: A Centenary Estimate* (Baltimore, 1910), pp. 35-38, from which the succeeding paragraphs have been taken.

physicist; and Fonteyraud, and after him Garnier, state, perhaps upon the same authority, that he was one of the first to introduce illuminating gas in his residence. But even more than chemistry, geology and in particular mineralogy attracted Ricardo's attention, and either at this time or a little later, he fitted up a laboratory and formed a collection of minerals. The beginnings of modern geological study in England are curiously associated with the Society of Friends, and it is possible that Ricardo may have been drawn into this coterie through his wife's connections. He does not appear to have been a member of the Askesian Society, founded in 1796, or of the British Mineralogical Society, organized in 1799. But a few years later these two organizations first merged and then reappeared as the Geological Society, a kind of semi-scientific club, formed by thirteen men dining together at the Freemason's Tavern on November 13, 1807, and meeting in a similar way once a month thereafter. Ricardo, although not one of the original thirteen, became a member of the Society in 1808, and continued more or less actively interested in its affairs until his death.

The history of science presents more than one example of an almost accidental circumstance being responsible for the original interest of a master-mind in the particular subject matter with which it was thereafter to be conspicuously identified. Certainly, casual episode was responsible for Ricardo's attraction to formal economic study. The "Annual Obituary" memoir refers to the circumstance, and McCulloch repeats the story. But the more direct and graphic version is Hobhouse's:

March 2 [1822].—Dined with Lambton—an immense party and splendid dinner. I sat next to Ricardo, who told me that he never thought of political economy till happening one day, during an illness of his wife, to be at Bath, he saw an Adam Smith in a circulating library, and turning over a page or two ordered it to be sent to his house. He liked it so much as to acquire a taste for the study.¹³²

We can well understand that as a substantial, well-informed man of affairs, Ricardo's attention must have been arrested by the remarkable economic events that were taking place about

¹³² Lord Broughton, *Recollections of a Long Life*, II (1909), 179.

him. Even a mind less favorably endowed or an experience less admirably equipped would have been tempted to inquire as to the cause and extent of such conspicuous phenomena as the rise in general prices, the fluctuations in foreign exchange, and the perplexing interrelations of rents and profits. It is not to be doubted that Ricardo early entertained intelligent views on these subjects; but at best they were independent and detached opinions differing only in degree of intimacy from the sentiments which so thoughtful an observer would have formed upon current social and political conditions. There was need of a determining impulse which should both definitely engage his intellect in economic speculation, and at the same time supply the positive structure to which an essentially critical mind should attach, either in affirmation or dissent, its own views. This impulse came in the form of acquaintance with Adam Smith's work. We are told that Ricardo was from the very first highly gratified by its perusal, and that the inquiries with which it is concerned continued thenceforth to engage a considerable share of his time. The story may be apocryphal, although there is no reason for assuming this; in any event, the fact is unessential. It is enough to know that in the very prime of his mental powers, when a material career had already been achieved, Ricardo's attention was definitely drawn to economic speculation by attentive reading of an economic treatise. "It is, within restricted limits," declared Fonteyraud, "the history of Archimedes' bath, of Newton's apple, of Torricelli's lamp, of Watt's kettle; the history in a word of all intellectual germs which a ray of light fructifies."

The list might indeed be extended: James Mill, who, predestined for the ministry, nevertheless enrolled in Dugald Stewart's "separate course" in 1793: "All the years I remained about Edinburgh, I used, as often as I possibly could, to steal into Mr. Stewart's class to hear a lecture, which was always a high treat." Years before he had made "the aspiring Scotchman's venture upon London," endowed with high intellectual accomplishments and great bodily charm—"The short breeches of the

time showed a leg of perfect form," Professor Bain meticulously records—Mill paid ample tribute to Stewart's impress: "The taste for the studies which have formed my favorite pursuits, and which will be so till the end of my life, I owe to him."¹³³

John Ramsay McCulloch, who commenced his studies at the University of Edinburgh in 1805, and of whom we are told: "Though he attended several of the classes in the University he gave his almost undivided attention to that department of science which he has done so much to illustrate and elucidate."¹³⁴

Even Mrs. Marcet led her docile pupil along the way appointed by Adam Smith, with only a measure of uneasiness as to "some passages" when a second edition of the *Conversations* was imminent: "If she begins to listen to our controversy," wrote Ricardo to Malthus, in comment upon her application for counsel, "the printing of her book will be long delayed; she had better avoid it, and keep her course on neutral ground. I believe we should sadly puzzle Miss Caroline, and I doubt whether Mrs. B. could clear up the difficulty."¹³⁵

Dugald Stewart, Francis Horner and the Edinburgh reviewers, Thomas Robert Malthus, Jean Baptiste Say, David Ricardo were the notable figures in the early building of "the classical political economy." Torrens, De Quincey, Senior contributed elements in the next decades; but the outline and plan of the main structure had then already been determined. Of this major group, Adam Smith was not only the first and greatest but the master. Quite apart from positive contribution of matter and doctrine, his work evoked the first interest and inspired the succeeding effort of the company whose later performance determined the scope and content of our science in the richest period of its history. In this far-reaching sense Adam Smith is to be acclaimed "the founder of a school."

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¹³³ Bain, *op. cit.*, pp. 16-17.

¹³⁴ *Biographical Notice of John Ramsay McCulloch, Esq.* (London, 1865), p. 3.

¹³⁵ Bonar (ed.), *Letters of Ricardo to Malthus*, p. 133.