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Adam Smith and James Anderson

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120,000 men. In an interview on December 4, 1895, General Campos is reported to have said: "The war is of more importance than I was at first willing to believe or admit. The insurgents are no longer confined to any particular district, but are all over the island."*

The third and last test of the status of belligerency as stated by Dana is "at sea, the employment by the insurgents of commissioned cruisers, and the exercise by the parent state of the rights of blockade of insurgent ports, of stopping and searching neutral vessels at sea." No writer or authority so far as I know, including even Dana himself, holds this test to be one which is absolutely essential. He merely claims that it is more decisive than the others. It is in fact conclusive, and if this test can be applied, recognition almost follows as a matter of course. To hold this to be an essential test of the fact of belligerency, would imply a denial that war can be carried on solely on land.

It is certainly true that the favorite argument in the newspapers—"because the Spaniards are cruel, therefore we ought to recognize the belligerency of the Cubans"—is not based on any principle of international law. But a recognition of Cuban belligerency would, under the circumstances, we hold, be the exercise of a strictly legal right, and being under no special obligations to Spain, there would be no impropriety on our part in following the lines indicated by our own sympathy and interests—temporary and ultimate—*i. e.*, to assist Cuba in the only possible way which is legally permissible, *viz.*, by recognizing her belligerency.*

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ADAM SMITH AND JAMES ANDERSON.

In spite of the suggestiveness of certain passages in the "Wealth of Nations," it seems clear that Adam Smith conceived rent as a constituent element, determining, and not as a differential surplus, determined by marginal price. There is no evidence in the numerous editions of the "Wealth of Nations" published during Smith's lifetime, nor in any of his recorded utterances, of a change of opinion in this direction, in the interval from 1776 to his death in 1790. This cannot be explained by the mere failure of his written thought to attract criticism. Hume's dissent is familiar: "I cannot think that the rent of farms makes any part of the price of the produce, but that

* *New York Times*, December 4, 1895.

the price is determined altogether by the quantity and the demand." * Of greater importance is the explicit recognition of rent as a differential gain by James Anderson, the well-known Scotch writer on agricultural subjects, first in 1777 in the course of a sharp criticism of Adam Smith's views on the effect of a bounty on the exportation of corn, and in various writings thereafter.

It seems natural and reasonable to infer that Smith must have been acquainted with Anderson's exposition—at least in the form in which it is presented in the "Observations on the Means of Exciting a National Spirit of Industry in Scotland," the criticism above referred to. This inference has been drawn by various writers. Professor Ingram declares that the volume "can hardly have escaped Smith's notice." † Mr. Cannan stated that Smith "can scarcely have failed to see Anderson's criticism." ‡ and Mr. John Rae adds that Anderson "won Smith's friendship by a controversial pamphlet challenging some of his doctrines." §

Definite verification of the views thus expressed is afforded by certain paragraphs in various of Anderson's writings, and it seems desirable that specific attention should be directed thereto.

Intimation of actual acquaintance between the two men is given in a brief introduction to the "Anecdotes of the late Dr. Smith," by Amicus, contained in *The Bee*, || a serial publication of which Anderson was editor and proprietor. Anderson here stated that the anecdotes were transmitted to him under the strongest assurances of authenticity, "concerning which, indeed, he entertained no doubt after their perusal, from the coincidence of certain opinions here mentioned, with what he himself had heard maintained by that gentleman."

The circumstance which formed the occasion of the acquaintance is described by Anderson in a postscript ¶ to Volume III., of his "Essays Relating to Agriculture and Rural Affairs." After expressing dissent from Adam Smith's views on the corn laws, Anderson adds: "This opinion of Dr. Smith I combatted soon after the publication of his book. [Observations on National Industry, Letter XII. P. S.] He at one time declared that he did intend to answer it, and took steps to ascertain facts respecting that subject; but afterwards laid the design aside."

The same circumstance is described somewhat more fully in a passage in one of Anderson's later pamphlets, "A Calm Investigation of

* Burton, "Life of Hume," Vol. ii., p. 487.

† "History of Political Economy," p. 128.

‡ "History of the Theories of Production and Distribution," p. 221.

§ "Life of Adam Smith," p. 318.

¶ Vol. iii., pp. 1-8; May 11, 1791.

¶ "Cursory Remarks on the Corn Laws of Great Britain." 2d edit., 1798, p. 503.

the Circumstances that Have Led to the Present Scarcity of Grain in Great Britain." * After criticising Adam Smith's views, the writer continues: "These remarks occur in a work that I was writing at the time, and which was published in the year 1777, under the title of 'Observations on the Means of Exciting a Spirit of National Industry, Chiefly as Applicable to Scotland.' A juvenile performance, that has had very little sale, and attracted very little notice. The principles that are laid down in these observations, however (see P. S. to Letter XII), on this subject at least, I think I may now take upon me to say, are established incontrovertibly; not only because no one has yet attempted to refute them, not even Dr. Smith himself (to whom a copy of the work was sent as soon as it was published), though he told our common friend, Dr. Cullen, immediately after he read it, that he thought it required an answer, which he intended to give it; and he did, to my knowledge, take measures to ascertain some facts with that view; but, upon maturer consideration, it would seem, he relinquished the design."

The most satisfactory statement is contained in a note in an obscure pamphlet of Anderson, "Selections from the Correspondence of George Washington and James Anderson." † The note is appended to a long letter of Anderson to Washington, dated London, January 10, 1800. It was only drafted, the writer states, when intelligence of Washington's death was received; in consequence it was never sent. The note restates some of the facts given above, but is here inserted in full:

"Few authors have a better title to the very liberal applause that his writings have obtained for him than Dr. Adam Smith; but on this subject in his great work on the 'Wealth of Nations,' he has done harm. No sooner did his work fall into my hands than I perceived the probable evil that would result from a mistake in a man so justly celebrated; and I embraced the first opportunity that occurred of pointing out the fallacy of his mode of reasoning on the corn laws. This is done in the P. S. to the twelfth letter in the 'Observations on the Means of Exciting a Spirit of National Industry,' published in the year 1777, a copy of which was transmitted through the intervention of our common friend, Dr. Cullen. This was the commencement of a friendly intercourse that subsisted between us during the whole after period of his life. He never entered upon the subject of the corn trade in conversation with myself; but he did so with Dr. Cullen, who informed me that he had told him that he intended to

* London, 1801, p. 18. The passage is cited in Brentano, "*James Anderson: Drei Schriften über Korngesetze und Grundrente*," xxvii.

† Charlestown, 1800, p. 75.

answer these remarks, which he said I might consider as a great compliment, as he never heard Dr. Smith say as much of any other opponent. I understood afterward that he had made inquiries concerning some facts I had stated; but he never made the answer he proposed. The principles I there endeavored to establish were more fully developed in a pamphlet afterward printed (1777) on the Corn Laws, now out of print. These principles have been but too fully established by the events that have succeeded since that time."

The only circumstance, which I have encountered, of this long period of "friendly intercourse," is that described by Mr. John Rae, in his "Life of Adam Smith."* Both Smith and Anderson were members of the Royal Society of Edinburgh. At a meeting in July, 1789, at which only seven persons were present, Anderson read a paper on "Debtors and the Revision of the Laws that respect them." The paper, Samuel Rogers records, was "very long and dull," and "Mr. Commissioner Smith fell asleep."

The records of the Royal Society of Edinburgh doubtless contain further material upon the subject. But the essential fact, that of Adam Smith's actual acquaintance with James Anderson and his writings, seems clearly established.

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*P. 421.