



## The Bicentenary of Adam Smith

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*The Economic Journal*, Vol. 86, No. 343 (Sep., 1976), 481-492.

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*The Economic Journal* is currently published by Royal Economic Society.

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## THE BICENTENARY OF ADAM SMITH<sup>1</sup>

### I

Anniversaries – especially when they reach some impressive round figure – seem to be receiving more and more attention from editors and programme-planners for the media, who, voracious for ideas to fill space and time, keep the horizon scanned for any promising birthdays which may be looming up. Naturally academics, too, in these hard times, are keenly on the look-out for any opportunity of raising the wind for some celebratory get-together, or for an expensive new edition or collection of essays. Apart from its other (transatlantic) connections, '76 is obviously one of the most celebrated and celebratable years in the economist's century (though '83 with its Marx–Keynes double-header should offer some unusual possibilities). Equally obviously, Glasgow – so far as cis-Atlantic political economy is concerned – has first claims on '76. In fact, the University of Glasgow has commissioned a complete edition of Adam Smith's *Works and Correspondence* to celebrate the Bicentenary. This edition is to appear in six parts, with two associated volumes, one of essays on Smith (here under review) and the other a new life by I. S. Ross. The celebrations could not possibly take a worthier or more valuable form than this. All scholars should be profoundly grateful that such a major intellectual need is at last being met. It should now, or soon, really become possible to get much nearer than previously to seeing Smith and his work "whole", or as near as we are ever likely to be able to do this (which, because of irreparable gaps in basic material, and a certain elusiveness in Smith as a person, may never be all that near).

### II

The leading expositors of the English classical version of the history of political economy, such as, primarily, McCulloch, and incidentally, but very influentially, J. S. Mill, assigned to Smith the role and title of the supreme founding father of the subject—(Marx, incidentally, described Petty as "the founder of modern political economy"). Four editions of *The Wealth of Nations*, those of Playfair, Buchanan, Wakefield, and McCulloch himself (now hardly looked at) appeared in the opening decades of the nineteenth century. But at some points the treatment of Smith was apt to strike a rather patronising note when very high claims were being advanced as to the remarkably rapid scientific progress which had taken place in the period, since *The*

<sup>1</sup> A review-article of two publications:

*An Inquiry into the Nature and Causes of the Wealth of Nations*. By Adam Smith, Edited by R. H. Campbell, A. S. Skinner and W. B. Todd. (Oxford: Clarendon Press, 1976. Volume 2, pp. vii + 537. £25 for the set.)

*Essays on Adam Smith*. Edited by A. S. Skinner and T. Wilson (Oxford: Clarendon Press, 1975. Pp. xvi + 647, £15).

*Wealth of Nations*. As J. S. Mill puts it in the Preface (1848) to his *Principles*, he was seeking to produce a work:

Similar in its object and general conception to that of Adam Smith but adapted to the more extended and improved ideas of the present age. . . .  
*The Wealth of Nations* is in many parts obsolete, and in all, imperfect. Political Economy, properly so called, has grown up almost from infancy since the time of Adam Smith.

It was only during what is called the "neo-classical" period with the development of more systematic scholarly standards (and perhaps, fleetingly, more intellectual modesty) that the modern study of Smith can be said to have got under way. First, there was the work of German historical economists, notably Hasbach, Leser, and Oncken. "Das Adam-Smith Problem", about which they were much concerned – that is, the contrasts or even contradictions, between *The Theory of Moral Sentiments* and *The Wealth of Nations* – is today mostly regarded as exaggerated or even imaginary (though quite enough "Adam-Smith problems" remain). But at least these Germans were on the right track in looking at Smith's work *as a whole*, and in regarding him as primarily a philosopher. In England, apart from Bagehot's brilliant essays, it was not until the 'nineties, and the turn of the century, that the basic works appeared which until today have provided most of the main foundations of our knowledge and understanding of Smith's work on political economy: that is, Bonar's catalogue of his library (1894); Rae's life (1896); and Cannan's editions of the *Lectures* (1896) and *The Wealth of Nations* (1904).

Since about the beginning of the century major importance could probably only be claimed for Scott's biographical work, with his publication of the "Early Draft" (1937), and for the discovery of the *Lectures on Rhetoric and Belles Lettres* (1963). There have been quite a number of interesting and informative articles and lectures (led by the Chicago sesquicentennial volume) which have discussed various particular aspects or sectors of Smith's work; and recently Smith's philosophy, and other writings, seem to have been attracting much more attention. But there has been nothing corresponding to the interest and opportunities opened up by the splendid complete editions of Ricardo and J. S. Mill, or to the new and lively interest in Malthus aroused by Keynes. So, for some decades, Smith's work has, *comparatively*, been falling behind, in spite of many interesting partial or detailed contributions, in respect of the kind of profound and comprehensive attention which it requires.

This gap, or delay, with regard to Adam Smith, may have been due, in part to the "multi-", as well as the "cross-disciplinary" character of his work (to adopt the slightly disgusting contemporary terminology). However, this has not prevented the highly "multi-disciplinary" work of J. S. Mill from obtaining its due setting from Toronto, or even from a start being made on Bentham. But the lack of a complete edition has been all the more serious, just because of the intensely *cross-disciplinary* element in Smith's different works, now regarded as "belonging" to different university departments. J. S. Mill's writings are, of course, extensively *multi-disciplinary*, but although

a knowledge of his logic, or of his political essays, or his autobiography, may enrich somewhat one's understanding of his *Principles of Political Economy*, this latter book can be quite adequately understood and appreciated without any or much acquaintance with Mill's other writings. But to a quite different degree, an understanding of what *The Wealth of Nations* is really about, if it is not to be seriously impoverished or superficial, essentially requires a considerable acquaintance with *The Theory of Moral Sentiments*, as well as with *The Lectures* and other works. So this Glasgow edition will, for the first time, make possible, or much more feasible or convenient, the kind of comprehensive study which Smith's work deserves and requires.

It remains to be seen how far further comprehensive studies may lead to any clarifications or solutions with regard to the considerable range of gaps, mysteries and puzzles, which can be found in Smith's life and work. First, there are the biographical gaps. As Professor Mossner has wondered, *just what was Smith doing* in his six years in Oxford? Did he make no mark there at all? And precisely how did it develop that after returning home, apparently a somewhat disgruntled graduate student of 23, he emerged only three or four years later as the brilliant young Edinburgh lecturer, promptly awarded a major chair at the age of 28? Then there are intriguing questions about his political influence in his later years. For example, how far was the sometimes slightly whimsical C. R. Fay justified in (apparently) suggesting that it was Smith's logical, professorial advice, insisting that colonists should pay taxes, which in 1766 impelled Townshend to the measures which led on to the Revolution ten years later?<sup>1</sup>

Then there are the puzzles, and even mysteries, in his writings or thought. For example, there is the treatment of "use", utility, and value in that curious but crucial paragraph in chapter 4 of Book I (though, as we shall note, Professor Samuel Hollander does not see any puzzle or difficulty here). More profound and even more insoluble, perhaps, are the puzzling contrasts between what Professor Heilbroner, in his stimulating essay on "Decline and Decay in *The Wealth of Nations*", calls the brighter and darker sides of Smith's politico-economic vision: the contrast, that is, between the expansive, progressive optimism, and the long-run prospect of running down into an apparently pretty dismal stationary state: and the further well-known contrast in the treatment of the division of labour as a great driving force of economic progress on the one hand, and towards cultural degradation (and "alienation") on the other hand – with the mass of the population (labouring by hand, and brain too, presumably) in danger of becoming "as stupid and ignorant as it is possible for a human creature to become" – with only state-financed education to ward this off.

Great though the stimulus which this splendid bicentenary edition should impart to their study, a considerable degree of fascinating elusiveness, ambiguity, and even mystery, seems likely (perhaps fortunately) always to remain with regard to Smith and his work.

<sup>1</sup> "I submit, though the temple fall on me as I say it, that in the last analysis it was professorial advice which lost us the first empire" (C. R. Fay, *Adam Smith and the Scotland of his Day*, 1956, p. 116).

## III

With Cannan's admirable edition comparatively easily and cheaply available, *The Wealth of Nations* (though its Bicentenary is the occasion for this edition) is the work of Smith which seems least in need of a new scholarly edition. But certainly the two new volumes eclipse Cannan's in the sheer sumptuousness of their physique.

Extraordinary pains have been taken by Professor W. B. Todd of the University of Texas to establish the text.<sup>1</sup> Forty-nine copies in seven libraries around the world have been checked and collated, and a shorthand code has been devised for referring to them all. The tables of "Corresponding Passages" with regard to the 1930 and 1937 editions of Cannan is a useful inclusion at the end of each volume. A rather prominent feature is the numbering of paragraphs, which at some points produces – possibly appropriately – a somewhat Biblical appearance. But some people might have preferred that *the titles of chapters*, and not only their numbers, should appear at the top of the right-hand pages (as in the Cannan edition).

The annotation and critical apparatus is on a much larger scale – especially for about the first fifty pages – than in the Cannan edition (or in the Sraffa edition of Ricardo, or the Bladen-Robson edition of J. S. Mill's *Principles*). Three, or even four different types of notes or "data" (as Professor Todd calls them) may appear at the bottom of a page, or on the bottom half of a page, below the text. First, there may be Smith's own references (of which there are very few) attached to which may be extensions, or additions to Smith's notes by the editors. Below these will come the textual variations, in code; and finally the editors' own comments. These comprise cross-references within *The Wealth of Nations*, references to Smith's other writings, and parallels with other writers. Also, "comment has been made on matters of historical fact where this might be of benefit to the modern reader" (p. v). Here is an extract where all the various types of annotation come together in a few lines (which does not happen often). The passage is from chapter iv "Of the Origin and Use of Money":

5 Different metals have been made use of by different nations for this purpose. Iron was the common instrument of commerce among the antient Spartans; copper among the antient Romans<sup>9</sup>; and gold and silver among all rich and commercial nations.<sup>10</sup>

6 Those metals seem originally to have been made use of for this purpose in rude bars, without any stamp or coinage. Thus we are told by Pliny,\* upon the authority of °Timaeus° an antient <sup>d</sup>historian,<sup>d</sup> that till the time of Servius Tullius, the Romans had no coined money. . . .

"9" and "10" indicate notes by the editors citing a cross-reference, and references to the two editions of the *Lectures* and to Cantillon. (\*) indicates one of Smith's own references to Pliny, the passage being then quoted in English translation by the editors. The pairs of "c"s and "d"s indicate

<sup>1</sup> For an account, see vol. 1, pp. 61–6.

alternative readings in other editions (for example, "author" instead of "historian").

Doubtless much useful and interesting information is made available below the text. But it might be held that to deserve to get on to *the same page*, and compete for the reader's eye and attention with Adam Smith's own words, any notes, or "data", surely ought to have to justify themselves in terms of a pretty high degree of urgency and importance.

In some ways one of the most crucial paragraphs in *The Wealth of Nations* is that (No. 13) towards the end of the chapter which we have just mentioned (I. IV. p. 45), dealing with the concepts of value-in-use and value-in-exchange, and the water-and-diamonds paradox. Here ten-and-a-half lines of large-print text occasion some fifty-five lines of small-print annotation. Now it is certainly useful to have briefly quoted, or summarised, Smith's other treatments of the paradox of value, elsewhere in *The Wealth of Nations* and in the two versions of the *Lectures*. It is also significant to have references to Plato, Pufendorf, Harris, Cantillon, and Mandeville. An excellent quotation is provided from John Law, and finally quite a lengthy one from Francis Hutcheson. But the interpretation and appraisal of this crucial paragraph is a matter of some controversy, about which, of course, entire essays or articles could be (and have been) written. For those who take the view that in *The Wealth of Nations*, especially in this paragraph – though not in *The Lectures* – Smith departed significantly from Hutcheson's treatment of "use", "utility", and value, it could seem misleading that the quotation from Hutcheson was not prolonged to include another sentence or two which could be regarded as clinching this significant departure, or contrast, between Hutcheson and Smith.

Possibly this merely means that one cannot please everybody. But clearly unless a very tight rein is kept on the citation of references, cross-references, parallels or contrasts, the extent of the annotation, on the same page as Smith's own text, may result in the latter getting rather swamped by the former.

Obviously the tastes and needs of different kinds of readers may vary widely. This is presumably an edition for readers already pretty familiar with *The Wealth of Nations*, who wish to ponder and analyse closely particular passages, especially the opening five chapters of Book I, after which the rate of annotation considerably diminishes. Such readers will find here much richly rewarding material. But someone reading this great book for the first or second time may feel that they can make more rapid, uninterrupted progress in Cannan's edition.

It might have been very helpful if the Introduction could have summarised the lessons or conclusions emerging, as the editors saw them, from their immense labours on the text and on the notes. It could have been highly interesting to have had some general pointers, or examples, regarding the significance of all the textual variations so carefully collated. It might also have been instructive to have had the editors' conclusions regarding how far all their work on the notes may fill out, or possibly alter, the not-very-clear

picture available of Smith's sources and his indebtedness to earlier authors. A first impression seems to suggest that perhaps this indebtedness was rather more detailed and extensive than has previously been realised. But this could be mistaken.

Volume I is opened by an informative and erudite sixty-page "General Introduction", by Professor R. H. Campbell and Mr Andrew Skinner, devoted to summaries of Smith's previous writings, notably the remarkable Essay on Astronomy, *The Theory of Moral Sentiments*, and the new set of *Lectures on Jurisprudence*. Following this, some main themes in, or about, *The Wealth of Nations*, are taken up under such headings as "Economic Theory and the Exchange Economy", "The Role of the State", "The Institutional Relevance of *The Wealth of Nations*" and "Smith's Use of History".

There is only one remark in this Introduction which moves this reviewer to sharp protest, that is the statement (p. 18) that Smith's "economic analysis involves a high degree of abstraction". Of course any "analysis", indeed any putting of pen to paper, *must* involve *some* degree of abstraction. But compared with the subsequent development of economic analysis, especially since Ricardo, Smith's work involves a *markedly low or lower* degree of abstraction. It is not so much that (as the editor continues):

In his economic work Smith was concerned only with some aspects of the psychology of man and in fact confined his attention to the self-regarding propensities.

There is a sense in which this is not untrue. But the point is that in *The Wealth of Nations*, as in fact is stated later (p. 38) in the Introduction, Smith is referring to "*different areas* of human experience", as compared with *The Theory of Moral Sentiments*. What Smith is doing is not indulging in a high degree of abstraction in terms of a particular *aspect* of human behaviour, but focusing on a particular *area*, in terms of a realistically *low* degree of abstraction. "*Areas*" of human experience shade into one another in the real world, and often cannot, without much arbitrariness, be sharply marked off from one another as clearly as "*aspects*" can be defined in terms of precise abstract assumptions. That is why Smith's work lacks the "rigour" and "precision" obtainable (at a perhaps fatally high cost) by much higher degrees of abstraction than he employed. Anyhow, however much mileage may be obtainable from this distinction between "*aspects*" and "*areas*", it should be insisted that compared with subsequent, post-Ricardian economic analysis, Smith operates at a comparatively very low, rather than a very high, level of abstraction.

#### IV

The *Essays on Adam Smith* is a companion volume to *The Works*, in the same impressive and sumptuous format. The 640-odd pages contain 30 essays, *plus* an Introduction and a Conclusion. The volume is divided into two roughly equal parts, the first (with 14 essays and an introduction) being "mainly concerned with the broadly 'philosophical' and political aspects of Smith's contribution", and the second (comprising 16 essays and a conclusion) being

concerned "with the subject-matter (by no means entirely economic) of *The Wealth of Nations* itself" (p. 1). Seven of the pieces have been published before, two having been extracted from books. The volume therefore has something of the nature of a book of readings by living writers. The essays certainly range widely, and partly, at some points, even beyond Smith himself, with contributions on Montesquieu and Hume (from Chamley) and on the Classical Economists and Education (from Blaug). However, though there is a considerable concentration in some areas, such as Capital, Growth and Profits with five essays, other areas are very thinly covered, for example distribution, which is only represented by a distinguished paper from Professor Rees on "Compensating Wage Differentials". The scope and method of *The Wealth of Nations*, receives very little attention in this volume, though Smith's work, in this respect, is unique in its balance and comprehensiveness, differs profoundly from that of his Ricardian successors, and possesses significant implications for the nature of his policy conclusions. The lack of attention to this subject, incidentally, contrasts markedly with the celebratory discussion of 1876 by the Political Economy Club of London which was largely devoted to methodological debate.

## v

Since it is hardly practicable to discuss all the 32 papers in this volume, or even to re-paraphrase the brief summaries provided at the beginning of each half, we may drastically reduce the problems of selection, more or less at a stroke, by concentrating on Part II, that is on the essays concerned with the subject-matter of *The Wealth of Nations*. An apology is due to the contributors to Part I, and also to those to Part II whose essays are not, or only very briefly, referred to. But as an exception with regard to Part I, we might pick out the only article by an economist, that is Professor George Stigler's paper, "Smith's Travels on the Ship of State". Professor Stigler complains here of Smith's rejection of self-interest as a general explanation of *political* activity, as contrasted with his general emphasis on it in explaining *economic* activity. It seems possible that Professor Stigler's complaint may be rather too sharply drawn, partly because self-interest does not, according to Smith, always dominate everybody's economic activities, for example those of landlords. But this is a very stimulating paper, with a challenging, clearly perceived and sharply focused theme, forcefully expounded, with an impressive array of detailed evidence and illustration brought together in a brief compass.

Turning to Part II, this is opened by Professor Samuel Hollander's essay on "The Role of Utility in *The Wealth of Nations*" (extracted from his recent book). Professor Hollander is concerned to refute the criticisms directed by P. H. Douglas, Kauder, Taylor and Robertson, Schumpeter and others, against Smith's treatment of utility and value. First, there is an historical point regarding the treatment of utility and demand by Smith's predecessors (and even by himself in *The Lectures*) and how far Smith crucially departed from this, or seriously changed the emphasis, in *The Wealth of Nations*.



As regards this historical question, it seems doubtful whether the generalisation can be sustained (against the writings of de Roover) that the Scholastics generally placed greater emphasis upon costs than upon demand and utility.<sup>1</sup> But it is not necessary, at this point, to go back to the Scholastics and argue over such a massive generalisation. It is simply relevant to point up the contrast with Francis Hutcheson, with regard to the definition of utility or "use". For Hutcheson employs a comprehensive concept of use, or utility which includes that of giving "any satisfaction, by prevailing custom or fancy, as a method of ornament or distinction. . . for this will cause a demand as well as natural use".<sup>2</sup> Smith, on the other hand, in *The Wealth of Nations* maintains that "utility", which "may be called 'value in use'", is *not necessary at all* for "the greatest value in exchange". Smith is thus amputating the utility concept, in a manner rejected by most economists before and since, so as to confine it to a kind of "biological", or (as P. H. Douglas called it) "moralistic" utility. This drastic alteration in definition is quite unnecessary to make the familiar point (which Hutcheson made) that there is no relation or correspondence between market values and biological or "moralistic" usefulness. Professor Hollander seems to try to defend Smith by refusing to accept what he actually wrote, when he (Hollander) refers to "Smith's 'so-called' rejection of utility as a possible cause of value".<sup>3</sup> It was "so-called" by Adam himself when he first defined "utility" so as to render it totally unnecessary for exchange value.

Smith's treatment of utility and value had vast historical consequences. Moreover, his biological, "moralistic", or objective concept of utility has very dangerous implications. How, or by what authority, is it to be decided, in terms of such a definition, which items of my food or clothing have "utility", and which, have none, and are merely ornamental, non-basic, or perhaps even frivolous, so that I could reasonably be deprived of them? Smith himself would have recoiled in horror from such implications: but he left them there for others to pick up.

Next, Mr M. H. Dobb contributes an article on "Ricardo and Adam Smith", which is far more about the former than the latter. Almost needless to say, Mr Dobb introduces his usual rather dogmatic insistence regarding what must be "the key to the determination of prices" – (an arbitrary and perhaps metaphysical conception in itself). He goes on to maintain that a theory of distribution must be derived from some "social datum", in turn depending "on socio-economic institutions (e.g. property-ownership and its distribution)". Except that Walras does not, of course, deal in dogmatic, one-way "keys", but in general interdependence, this conception is somewhat similar to that of Walras, who separates distribution from the pricing of factor services in his *Social Economics*, and proceeds to advocate the nationalisation of land. Returning, fleetingly, to Adam Smith, Mr Dobb concludes:

It is a commonplace that Ricardo shared with Smith the characteristic of being *par-excellence* a theorist of perfect competition.<sup>4</sup>

<sup>1</sup> See page 314.

<sup>2</sup> *System of Moral Philosophy* (1755), vol. II, pp. 53-4.

<sup>3</sup> p. 315 n.

<sup>4</sup> p. 335.

This seems a strange commonplace, at least as far as Smith is concerned. It seems to be comprehensively contradicted in the next paper but one, which is perhaps the most discerning in this part of the volume, that is, Mr G. B. Richardson's paper on "Adam Smith on Competition and Increasing Returns". Mr Richardson points out that Smith's concept of competition, and of the working of the economic system was

very different from that implicit in the formal models employed by modern equilibrium analysis. . . . His theory of economic evolution presumes the general prevalence of increasing returns. Nowadays, on the other hand, economists employ a model – perfect competition – which postulates universally diminishing returns to scale, it being presumed that increasing returns must tend to concentration and eventual monopoly.<sup>1</sup>

Mr Richardson observes that Adam Smith "did not appear in the least troubled by the thought that competition and increasing returns might not be able to coexist". He proceeds to emphasise an interesting comparison with Chamberlin's theory of monopolistic competition, which in important respects "corresponds much more closely to Smith's vision than does the perfectly competitive model".<sup>2</sup>

Professor Albert Rees's paper on "Compensating Wage Differentials" concludes that this concept "has been a hardy device for generating fruitful hypotheses about wage structure". Professor Rees contributes the following perceptive *aperçu* regarding Smith's method as contrasted with that of his successors:

The concept of net advantage or net satisfactions did not arise as a way of covering up deficiencies in the predictive power of a theory of monetary maximization. On the contrary, the concept of net advantage is the original one, and lapses into a theory of monetary maximization came later, as a result of the difficulties of measuring non-monetary factors.<sup>3</sup>

In other words, Smith was not concerned with such "rigorous" abstractions as the maximisation of some arbitrarily precise (and/or empty) maximand, but with setting out the more important motives or considerations of real-world people.

Five papers follow on various aspects of capital, profits, and growth, by Professors Marian Bowley ("Some Aspects of the Treatment of Capital in *The Wealth of Nations*"), Rosenberg ("Adam Smith on Profits – Paradox Lost and Regained"), Spengler ("Adam Smith and Society's Decision-Makers"), Lowe ("Adam Smith's System of Equilibrium Growth"), and Mr Eltis ("Adam Smith's Theory of Economic Growth").<sup>4</sup>

<sup>1</sup> p. 354.

<sup>2</sup> In his "Concluding Reflections" Professor T. Wilson observes that although the existence of competition was a "crucial" part of the "proper environment" for Smith: "This need not indeed be 'perfect' competition in the special sense accorded to that expression in the nineteen-thirties. But what is required is rivalry and workable competition" (p. 604).

<sup>3</sup> p. 337.

<sup>4</sup> p. 473.

Next, in his paper on "Adam Smith and the Theory of International Trade", Professor Arthur Bloomfield defends Smith's contribution and also (like Mr Richardson in the general domestic case) significantly contrasts Smith's method with that of his successors. He discerns "a dynamic approach to the gains from trade that was to be neglected by the later classical economists".<sup>1</sup>

The treatment of the monetary and banking framework, assumed to implement the smooth functioning of Smith's simple system of natural liberty, is certainly one of the less satisfactory aspects of *The Wealth of Nations*. What the framework of monetary and banking policies and institutions might be, which would assure the smooth, satisfactorily self-adjusting operation of the economy in macro-economic terms, is not at all clearly or fully spelt out. On this subject, excellent and effectively complementary papers are forthcoming from Professor Douglas Vickers on "Smith's Theory of Money", and from Professor S. G. Checkland on "Adam Smith and the Bankers".

Professor Vickers is not being unduly ungenerous when he argues: "In the matter of the theory of money *The Wealth of Nations* does not deserve high praise."<sup>1</sup> This is especially so (as Professor Vickers is best qualified to point out) if one compares Smith's treatment of money with that of his great predecessors, Cantillon, Hume, and Steuart.

Professor Checkland's contribution is very helpful and learned in his discussion of Smith's treatment of Scottish banking. He concludes that Smith's assumption that the banks acting in aggregate would "provide an optimal money supply or an effective approximation to it", was not justified by the conditions of the time:

In the light of banking conditions in the Scotland of Adam Smith's time not to speak of the years to follow when matters approximated even less to his assumption, his view of banking omitted important aspects of reality which, if properly attended to, might have damaged his view of economic processes.<sup>2</sup>

This "view of economic processes", or, in other words, Smith's macro-economics, was, of course, what came to be known as the "classical" model in the Keynesian sense – of which Adam Smith was the great originator, and J. B. Say and James Mill comparatively unimportant elaborators.

Next comes Professor R. L. Heilbroner's very stimulating essay – already referred to – on "The Paradox of Progress: Decline and Decay in *The Wealth of Nations*". Professor Heilbroner is concerned to explore what he calls the "insufficiently examined dark side of Smith's thought".<sup>3</sup> He emphasises the apparently very dismal kind of "stationary state" for which it seems society is eventually destined:

The condition of the working class has been reduced to a Malthusian precariousness. The employer of moderate means ekes out a modest livelihood; a few men of great wealth live from their interest. The position of the landlord, prefiguring the conclusion of Ricardo, is presumably of all classes the most improved.<sup>4</sup>

<sup>1</sup> p. 484.<sup>2</sup> p. 523.<sup>3</sup> p. 524.<sup>4</sup> p. 529.

In addition to this, with the extension of the division of labour there will be the "alienation" problem, though here the darker prospects would have seemed to be relieved by the immense hopes which Smith, as a man of the Enlightenment, placed in education. Such darker possibilities as these, however, have to be reconciled with the "sense of confidence and promise" which, on the surface at any rate, seems to pervade Smith's work. Professor Heilbroner sees as applying to Smith's thought, Peter Gay's proposition that "the question of the lower orders is the great unexamined political question of the Enlightenment".<sup>1</sup>

In the next essay, however, on Adam Smith and Alienation, Professor E. G. West denies that the "serious cultural and human hazards" entailed in the advancement of the division of labour resembled at all closely the "alienation" which Marx accused "capitalism" of fostering. Professor West does not seem to regard as so serious this "darker" side of Smith's ideas about the social and economic future. But he does quote the interesting passage in which Smith seems to envisage a kind of cultural polarisation between the fascinating, richly various prospects for the philosophical few to contemplate, and the contracted perspectives of the many:

In a civilised state, on the contrary, though there is little variety in the occupations of the greater part of individuals, there is an almost infinite variety in those of the whole society. These varied occupations present an almost infinite variety of objects to the contemplation of those few, who, being attached to no particular occupation themselves have leisure and inclination to examine the occupations of other people. The contemplation of so great a variety of objects necessarily exercises their minds in endless comparisons and combinations, and renders their understandings, in an extraordinary degree both acute and comprehensive.<sup>2</sup>

Though the extraordinarily "acute and comprehensive" understandings of Smith's fellow philosophers of the eighteenth century may indeed be admired, this is not how things have worked out two hundred years later. Those who earn their living (like economists) by examining (hardly at leisure) "the occupations of other people", find their vision restricted and narrowed by the intellectual division of labour into much more limited perspectives than Smith himself would have approved.

Professor Alan Peacock provides an enlightening review of "The Treatment of the Principles of Public Finance in The Wealth of Nations", demonstrating that: "Adam Smith treated issues in public finance which receive close attention in the current literature with a good deal more sophistication than is often found to-day."<sup>3</sup>

Professor Blaug's re-examination of the "Economics of Education in English Classical Political Economy" starts from the charge that most of the existing literature on this subject "is unfortunately contradictory if not downright misleading".<sup>4</sup>

Professor Blaug's paper is only initially concerned with Adam Smith, whose

<sup>1</sup> p. 538.

<sup>2</sup> p. 552.

<sup>3</sup> p. 554.

<sup>4</sup> p. 568.

views on this subject do not, for the most part, seem to have been closely followed by his classical successors. Professor Blaug points out Smith's serious concern with the great unsolved problem, as regards universities especially, of "how should we reward teachers so as to induce them to perform their tasks with maximum efficiency?" Professor Blaug adds: "It is interesting to ask oneself how British university teaching is now evaluated."<sup>1</sup>

As Professor Blaug points out, Adam Smith, of course, had a very direct and hard-headed answer to this problem.

Finally, in "Some Concluding Reflections", Professor T. Wilson claims that "the essays in this volume on Adam Smith have reviewed the range and shown the subtlety of his system of thought".<sup>2</sup>

This claim is justified. Professor Wilson also finishes off by pointing to what may be one of the central questions which this new edition may assist in illuminating, that is the relations between the ideas in *The Theory of Moral Sentiments* and in *The Wealth of Nations*. This sounds rather like "Das Adam-Smith problem" of the German historical economists. But it is not that the relations between these two works and their ideas – or with regard to the other writings of Smith – need be seen as at all seriously inconsistent: it is simply necessary to realise how richly significant these relations are, and that progress in understanding and interpreting Adam Smith requires further elucidation of their precise nature. Anyhow, there are quite enough important and intriguing problems outstanding regarding Smith and his work, the study of which will be encouraged and assisted by this splendid new Glasgow edition of his complete writings. So no more valuable way of commemorating the Bicentenary could have been devised.

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*Date of receipt of typescript: March 1976*

<sup>1</sup> p. 569.

<sup>2</sup> p. 600.