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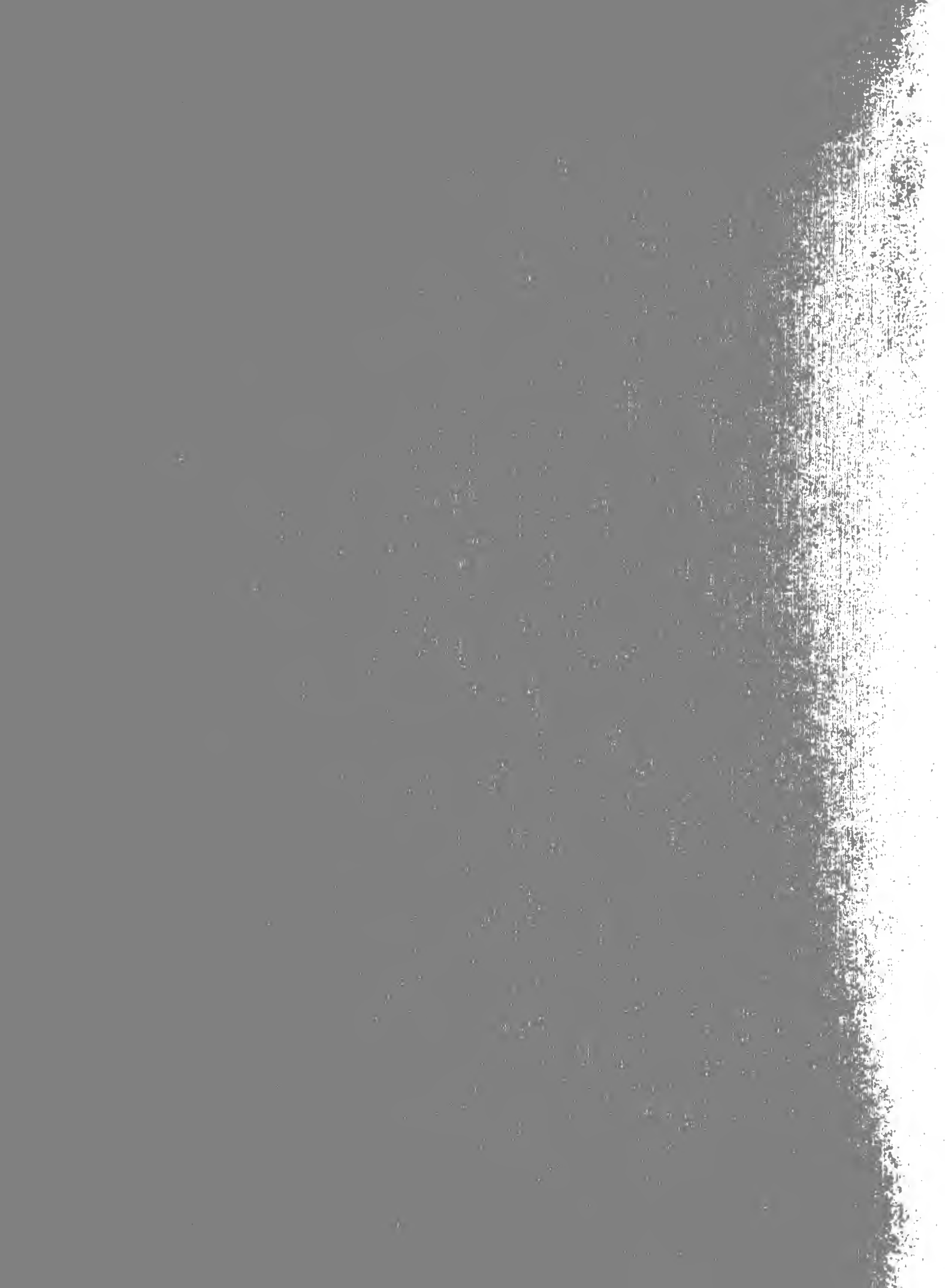
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**Adam Smith's Acknowledgements:
Neo-Plagiarism and the Wealth of Nations**

Salim Rashid



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College of Commerce and Business Administration

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Adam Smith's Acknowledgements:
Neo-Plagiarism and the Wealth of Nations

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ABSTRACT

This paper argues that the Wealth of Nations contains a substantial amount of unacknowledged borrowings; these borrowings were necessitated by Adam Smith's inability to clearly comprehend the logic of demand and supply. As a result, he borrowed his "economics" from whatever source he found compatible with his own philosophical leanings.

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ADAM SMITH'S ACKNOWLEDGMENTS: NEO-PLAGIARISM AND THE WEALTH OF NATIONS

Scientific innovation proceeds more by disparagement of rivals than by excessive self-praise, perhaps because it appears more modest...

..The correct way to read Adam Smith is the correct way to read the forthcoming issues of a professional journal.

George Stigler, The Economist as Preacher

It is now generally accepted by historians of economic thought that Adam Smith's work was much overpraised for its originality and design in the nineteenth century. In an obvious reference to Smith, both Archbishop Whately and John Stuart Mill spoke of political economy having arisen as a science virtually within men's memories. J. R. McCulloch deepened this impression by his incorrect statement that Smith had successfully combatted a general belief that gold and silver were the only real sources of wealth. In the large literature relating to Adam Smith, it is surprising that there is no account asking whether Smith himself was in any way responsible for this exaggerated estimate of the Wealth of Nations. In this essay, I shall consider just how far the Wealth of Nations would have been modified if Smith had followed a more liberal practice with respect to his acknowledgements. The charge of plagiarism was raised soon after the Wealth of Nations was published and has never been examined in detail. Even scholars who have done much to uncover evidence of borrowing, such as Edwin Cannan, have promptly gone on to dismiss out of hand the suggestion that Smith's borrowings could be taken as evidence of plagiarism.

It seems natural to assume that the contribution of an author cannot be fully evaluated unless we relate the author's works to the state of knowledge existing at the time that he wrote. Obvious as

this point may seem it has been largely neglected by Smithian scholars in recent times. More than fifty years ago, at a time when detailed studies of the seventeenth and eighteenth centuries were much in vogue, Jacob Viner had asserted that on "few details" did Smith's analysis exceed that of his predecessors. Given Viner's judgment, one would have thought that a top priority for scholars would have been to establish, point-by-point, a comparison between Smith and his predecessors. While some work on these lines has been done, notably by Douglas Vickers on the theory of Money and by S. G. Checkland with respect to Banking, a comprehensive analysis of this issue is still lacking. The studies of Vickers and Checkland have clearly shown how Smith fell behind his age on a number of issues, so it will not do to exclaim that Smith "synthesized" the best ideas of his predecessors. It is important to reach methodological agreement on the question of priorities: If we permit feathers to be freely borrowed, who is to tell the peacock from the crow?²

Jacob Viner, of course, was an admirer of Smith so it was possible for Smithian scholars to accept his judgment in silence. When an unsympathetic critic such as Joseph Schumpeter repeated the same charge in 1954 in more forthright language, a reviewer of the History of Economic Analysis charged Schumpeter with envy. Why has the Viner-Schumpeter assertion been ignored in recent evaluations of Smith? Surely the large volume of detailed historical study done between 1900 and 1954 suffices to shed adequate light on this issue. W. D. Grampp, for example, concluded that Smith and his predecessors were distinguished not by their different understandings of the market mechanism, but rather by the emphasis given by the pre-Smithians to

the reality of unemployment, a conclusion which might make those partial to Keynesianism wonder whether the Wealth of Nations really was an improvement. On the other hand, two of Smith's staunchest admirers, Eli Heckscher and F. A. Hayek, both claim that the real impact of Smith's contribution was to argue that the workings of the market led to good results; in other words, all analytic claims appear to be given up and Smith is frankly portrayed as a contributor to normative economics. These points would appear to warrant general attention but the recent literature seems determined to bypass all the learning and all the scholarship of the last seventy years.³ Section II considers in detail a particular example of Smith's indebtedness and suggests that more is involved than occasional carelessness. The plan of the rest of the paper is given at the end of Section II.

II. There is a curious passage in The Wealth of Nations in which Adam Smith appears to support government regulation of the quality of cloth by affixing seals to guarantee quality, a function traditionally undertaken by individuals called aulnagers. The passage occurs immediately after Smith has described the justification for stamping money and is worth quoting in full since it provides a suitable introduction to the thesis of this essay.⁴

The use of metals in this rude state was attended with two very considerable inconveniences; first with the trouble of weighing; and, secondly, with that of assaying them....Before the institution of coined money, people must always have been liable to the grossest frauds and impositions, and instead of a pound weight of pure silver, or pure copper, might receive in exchange for their goods, an adulterated composition of the coarsest and cheapest materials, which had, however, in their outward appearance, been made to resemble those metals. To prevent such abuses, to facilitate exchanges, and thereby to encourage all sorts of industry and commerce, it had been found necessary, in all countries that have made any considerable advances towards improvement, to affix a public stamp upon certain quantities of such particular metals, as were in those countries commonly made use of to purchase goods. Hence the origin of coined money, and of those public offices called mints; institutions exactly of the same nature with those of the aulnagers and stampmasters of woollen and linen cloth. All of them are equally meant to ascertain, by means of a public stamp, the quantity and uniform goodness of those different commodities when brought to market.

Why did Smith not consider free competition to be a sufficient guarantee of the quality of cloth? After all, Smith supported a system approaching caveat emptor even for something so intricate as medicine. Does cloth possess some peculiarity that places it beyond the working of market forces?

At this point, one's attitude towards Adam Smith becomes of importance. The die-hard admirers of Smith simply ignore such passages as, presumably, incomprehensible; more moderate admirers, such as Jacob Viner, look upon Smith as a "realist" who, when faced with practical problems, turned an absent-minded eye to his general principles, and solved the problem at hand by whatever means he saw fit. The existence of such seemingly contradictory passages is now taken as evidence of the "richness" and "catholicity" of Smith's seminal work. Consistency was beneath him. Another position, logically possible but historically invisible, is to argue that such inconsistencies indicate a fundamental incapacity to reason in Smith, who found reason to be beyond him.

I would like to suggest yet another approach--the cynical one. What if Smith was neither a genius nor a duffer but simply an individual of moderate talents who was obsessed with one idea--Free Trade--and boundless ambition, so that he would spend his lifetime ensuring the publication of his ideas as well as forwarding his own role in originating the new system? The assumption of moderate ability has two implications. First, that the defense of free international trade would not be presented with complete consistency; secondly, that other parts of his economic system may well suffer from a good deal of inconsistency. The assumption of ambition has the implication that Smith would suffer from a Columbus complex, which would lead him to minimize his debt to others or even distort their ideas. Now it is a curious property of plagiarism that since able individuals can do it well,

the clever plagiarists have the least chance of being detected. Only a very careful search will provide us with significant clues. The researcher finds a considerable stumbling block immediately in his path. Adam Smith was so intent upon leaving no papers for posterity that he was not content simply to leave instruction that they be burned, which he did, but, not trusting his executors, he even sat up in his death-bed and personally supervised the burning of all his papers. The cynic wins a small victory. This is exactly the behavior we would expect from a jealous but talented intellectual.

A careful reading of even such evidence as is available provides further circumstantial evidence for the cynic. W. R. Scott noted in 1900 that the order of topics in some parts of the Wealth of Nations followed that of Smith's professor at Glasgow, Francis Hutcheson and Edwin Cannan has explained this as follows:⁵

Dr. Scott draws attention to the curious fact that the very order in which the subjects happen to occur in Hutcheson's System is almost identical with the order in which the same subjects occur in Smith's Lectures. We are strongly tempted to surmise that when Smith had hurriedly to prepare his lectures for Craigie's class, he looked through his notes of his old master's lectures (as hundreds of men in his position have done before and after him) and grouped the economic subjects together as an introduction and sequel to the lectures which he had brought with him from Edinburgh.

However, it is one thing to use one's old lecture notes at the beginning of one's career and quite another thing to follow them some twenty-five years later, especially when one has discovered some fundamental and revolutionary truths in the meantime. The admirer would say that Smith was lazy about revision--indeed Smith himself had said that he found composition difficult. The cynic will retort that

Smith's difficulty lay not so much in writing well, for Smith was always capable of considerable eloquence, but in connecting his writings coherently, a difficulty best explained by Smith's inability to understand parts of economics not directly connected with his case for free international trade.

Smith's jealousy for his own originality was fierce even at the earliest stages of his career. In 1755 he insisted on bringing this claim to the attention of his contemporaries, perhaps because he felt the presence of some competitors. Dugald Stewart described the occasion as follows:⁶

There exists, however, fortunately, a short manuscript drawn up by Mr. Smith in the year 1755, and presented by him to a society of which he was then a member; in which paper, a pretty long enumeration is given of certain leading principles, both political and literary, to which he was anxious to establish his exclusive right, in order to prevent the possibility of some rival claims which he thought he had reason to apprehend, and to which his situation as a Professor, added to his unreserved communications in private companies, rendered him peculiarly liable. This paper is at present in my possession. It is expressed with a good deal of that honest and indignant warmth, which is perhaps unavoidable by a man who is conscious of the purity of his own intentions, when he suspects that advantages have been taken of the frankness of his temper. On such occasions, due allowances are not always made for those plagiarisms, which, however cruel in their effects, do not necessarily imply bad faith in those who are guilty of them; for the bulk of mankind, incapable themselves of original thought, are perfectly unable to form a conception of the nature of the injury done to a man of inventive genius, by encroaching on a favourite speculation. For reasons known to some members of this Society, it would be improper by the publication of this manuscript, to revive the memory of private differences; and I should not have even alluded to it, if I did not think it a valuable document of the progress of Mr. Smith's political ideas at a very early period. Many of the most important opinions in The Wealth of Nations are there detailed; but I shall quote only the following sentences:--"Man is generally considered by statesmen and projectors as the materials of sort of political mechanics. Projectors disturb nature in the course of her

operations in human affairs; and it requires no more than to let her alone, and give her fair play in the pursuit of her ends, that she may establish her own designs."--And, in another passage: "Little else is requisite to carry a State to the highest degree of opulence from the lowest barbarism, but peace, easy taxes, and a tolerable administration of justice; all the rest being brought about by the natural course of things. All governments which thwart this natural course, which force things into another channel, or which endeavour to arrest the progress of society at a particular point, are unnatural, and to support themselves are obliged to be oppressive and tyrannical. ...A great part of the opinions," he observes, "enumerated in this paper, is treated of at length in some lectures which I have still by me, and which were written in the hand of a clerk who left my service six years ago. They have all of them been the constant subjects of my lectures since I first taught Mr. Craigie's class, the first winter I spent in Glasgow, down to this day, without any considerable variation. They had all of them been the subjects of lectures which I read at Edinburgh the winter before I left it, and I can adduce innumerable witnesses, both from that place and from this, who will ascertain them sufficiently to be mine." [emphasis added]

Most scholars have accepted this as clear evidence that Smith had constructed the basic logic of The Wealth of Nations at a very early date. The extract provided, however, by no means proves quite this much. The cynic can point out that what Smith laid claim to was not to an argument but to a hope. Until the details of the economic argument have been filled in, Smith has not proceeded one whit beyond the stage where theologians and philosophers had left the case for the system of liberty. Indeed, the available notes of Smith's lectures delivered in 1760-63 do not provide any arguments for free international trade comparable to those of The Wealth of Nations.⁷

The available evidence, therefore, suggests to the cynic that either in 1750 or 1751 Adam Smith was struck by a vision--that of free international trade promoting both the material prosperity and mutual harmony of nations. It must be admitted that vision is a noble one

and that, if the vision be a true one, it was well worth fighting for. Smith's conversation with his contemporaries, especially the merchants, must have convinced him that the case for free international trade would only be laughed at if presented on a priori, philosophical grounds. His immediate task, therefore, was to learn how to clothe his thoughts in their language and he was still very much a student, in this sense, when he proposed two issues for discussion before the Select Society, both of which had been subject to considerable recent debate.⁸

- Mr. Adam Smith, Praes, did name the following questions to be the subject of debate on the Wednesday following, viz:-
1. Whether a general Naturalization of Foreign Protestants would be advantageous to Britain?
 2. Whether bounties on the exportation of corn be advantageous to trade and manufacture, as well as to agriculture?

At least in 1754 Smith appears to be trying hard to assimilate the economic principles behind the debates which stimulated British economic thought.

It is my belief that Adam Smith never did succeed in the task he had set himself. To the end of his life, the workings of demand and supply remained something of a mystery to him and it is precisely this incapacity to master economics that accounts for the many inconsistencies and errors to be found in The Wealth of Nations. The most original and brilliant parts of his treatise, the case for free trade as made out in Book IV, are notable because the logic of that argument never needs to mention either demand or supply. However, a critique of Smith as an economist is not the topic of this essay and the point is made here solely to suggest why The Wealth of Nations may be of

value even if the cynic is entirely right as to Adam Smith's moderate abilities and jealous disposition.

That Smith's jealousy extended even beyond the heart of his beliefs, i.e., the case for free trade, can be seen from his treatment of the division of labor. In his much quoted treatment of this issue, Smith suggested three reasons why the division of labor increased productivity.⁹

This great increase of the quantity of work, which, in consequence of the division of labour, the same number of people are capable of performing, is owing to three different circumstances; first, to the increase of dexterity in every particular workman; secondly, to the saving of the time which is commonly lost in passing from one species of work to another; and lastly, to the invention of a great number of machines which facilitate and abridge labour, and enable one man to do the work of many.

It comes as something of a shock to find that all these reasons have been directly taken from the French Encyclopedie. Edwin Canaan is confident that this is Smith's source because the example Smith uses divides pin-making into eighteen operations, as in the French Encyclopedie, and not twenty-five as is done by the Englishman Chambers in his Cyclopedia.¹⁰ The claim that Adam Smith did borrow points of importance, wholesale and without any acknowledgement, is therefore no discovery of our cynic. Let us see what use he can put it to.

Our original problem was that of deciphering why Smith would have supported government regulation of cloth manufacture. In the process of researching this question the suggestion arose that perhaps this passage belongs to a pamphlet Smith was trying to learn economics from and was simply borrowed without consideration as to its place in the overall scheme of things. In 1751 there was published in Edinburgh a

pamphlet entitled A Discourse of the Commonweal, by one W. S., once thought to be William Shakespeare. The original pamphlet dates back to 1580 and was doubtless reprinted because it was felt to have special merit. That Adam Smith would have come across it early in his tutelage seems a reasonable guess. In one part of the Discourse the author is led to speak about the properties and advantages of money.¹¹

Because in great traffic and assembly of buyers and sellers it was tedious to tarry for the weighing of these metals and trying, it was thought good that the prince should strike these metals with several marks, for the variety of weights they were, to assure the receiver the same to be no less than the weight it pretended. ...much like I have known certain towns in England to have done which were wont to make their cloths a certain breadth and length and so set their seals to the same. While they kept the rate truly, strangers did not look on the seal and received their wares, whereby those towns had great vent of their cloth and consequently prospered very well.

Not only does Smith copy the reasons given for the benefits of state regulated coin, he even goes on to copy out the concluding sentiments regarding the sealing of cloth. And all this without any mention of the Discourse!¹²

It remains for the cynic to extend his case. Are there other instances where Adam Smith appears to have borrowed without acknowledgement? Smith is known to have been a "beau in his books" and on the assumption that Smith did read what he purchased, Section III will take up the case for borrowing based on the contents of Smith's library. Section II takes up the more conjectural situation where textual similarity suggests borrowing and the argument here must necessarily be developed with more care. The practice of borrowing with generous indifference, if sustained as a charge, serves

to bolster the cynics' charge that Smith was a jealous and none too superior intellect. It may be expected that such individuals will react poorly to criticism. How far this is the case is studied in Section IV. The conclusion has some general comments on the existing state of opinion on Adam Smith, and the Appendix discusses this point in some more detail.

To accuse an academic of unscholarly standards is always a serious matter and it is essential to emphasize that this essay is limited to the author of the Wealth of Nations rather than to Adam Smith, the man. Smith's first book, The Theory of Moral Sentiments, displays very little of the obsession with profound originality that is apparent in the Wealth of Nations. Although the charge of borrowing was also raised against the Theory of Moral Sentiments, even if this charge is sustained its extent is minor compared with that bearing upon the Wealth of Nations. In the latter tome, Smith uses two devices of dubious virtue to emphasize his own originality and merits. First, he omits mention of all the significant British economists who preceded him and from whom he appears to have borrowed a great deal. Secondly, Smith systematically misrepresented the ideas of both the Mercantilists and the Physiocrats. From Smith's account one would have very little reason to even bother reading about these schools at first hand. Only the first topic concerns us here.

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III. One of the most famous passages of The Wealth of Nations is that in which Smith denounces restrictions on the internal corn trade.¹⁴

The interest of the inland dealer, and that of the great body of the people, how opposite soever they may at first sight appear, are, even in years of the greatest scarcity, exactly the same. It is his interest to raise the price of his corn as high as the real scarcity of the season requires, and it can never be his interest to raise it higher. By raising the price he discourages the consumption, and puts every body more or less, but particularly the inferior ranks of people, upon thrift and good management. ...The popular fear of engrossing and forestalling may be compared to the popular terrors and suspicions of witchcraft. The unfortunate wretches accused of this latter crime were not more innocent of the misfortunes imputed to them, than those who have been accused of the former. The law which put an end to all prosecutions against witchcraft, which put it out of any man's power to gratify his own malice by accusing his neighbour of that imaginary crime, seems effectually to have put an end to those fears and suspicions, by taking away the great cause which encouraged and supported them. The law which should restore entire freedom to inland trade of corn, would probably prove as effectual to put an end to the popular fears of engrossing and forestalling.

Smith's unqualified condemnation of the penalties on such activities as forestalling and regrating were widely influential in the 1790's and the internal corn trade appears to be the first policy issue in which Smith's authority was extensively invoked. Lord Justice Kenyon even appeared to have denounced Smith from the bench when indicting a grain merchant, Rusby, for forestalling. So conclusive was Smith's reasoning taken to be that, in criticizing a pamphlet against grain speculation, Sydney Smith later wrote:¹⁵

The question of the corn-trade has divided society into two parts--those who have any talents for reasoning, and those who have not. We owe an apology to our readers for taking any notice of errors that have been so frequently and so unanswerably exposed.

The recommendation that all restrictions on the internal corn trade be removed was certainly not unique to Smith. Already in the 1680's Sir

Josiah Child had drawn attention to the ill-effects of regulations and by the mid-eighteenth century such complaints became increasingly frequent and were repeated with increasing clarity. By 1774 Arthur Young could write with some vehemence:¹⁶

In all cases, whatever is found to be the price of a commodity OUGHT TO BE the price of the commodity; ...Nothing, therefore can be more pernicious and at the same time futile than to attempt to regulate that by laws...which regulates itself by the vibrations of the market.

In view of the many economists who supported a completely free internal trade in corn, Smith failed in his duty as a scholar by remaining entirely silent about his predecessors on this issue.

Our immediate concern, however, is whether Smith was more closely indebted to some of his predecessors than simply indicated by his adoption of their ideas. In this connection, a pamphlet written by an anonymous corn-dealer, Reflections on the Present High Price of Provisions, is of great interest.

The pamphlet begins with a confident claim of the generally beneficial role of prices:¹⁷

The wisdom of many modern governments has been exercised in laying open trade and encouraging agriculture, thereby providing in the most effectual manner, for the proper supply of provisions; for, on the experience of the past and present times, it appears, that after sufficient laws are framed against frauds and deceits, the buyers and sellers may be left to settle the prices of all things between themselves. According to the maxim of Seneca, "No matter what the price is, so the buyer and seller agree upon it;" the magistrate has no occasion to interfere; for the nature of trade requires that both the contracting parties should look about them, if they would not be deceived.

The author then deals in detail with all the difficulties involved in attempts to interfere in the grain market. What is remarkable is the

language with which the author describes the mentality of those who insist upon such restrictions.¹⁸

Although the belief of enchantments does not so much prevail in this country as formerly, yet 'tis observable, the repeal of the act against witchcraft could not be accomplished till the reign of George II. Some recent instances of the common people's zeal against witchcraft, seem to shew, that the repeal of that act has not removed the prejudices of many ignorant and obstinate bigots among all ranks of people.

The difficulty which occurred to our forefathers, in discovering the artifices of the engrossers and forestallers, is perhaps the reason, that the king's commission for the appointment of justices of the peace, inchantments, sorceries, arts magic, forestallings, regratings, and ingrossings are ranged together, as offences of a similar nature, because they were committed by wicked persons, in a manner both amazing and unknown.

It is probably in compliance with these prejudices, that justices of the peace are still directed by the king's commission, fully to enquire and inform themselves of the truth and reality of these offenses, viz. sorceries, engrossings, &c. on the oaths of good and lawful men.

Fortunately for the reputed witches, they have not now so much to fear from the laws as the reputed engrossers; for where there can be any pretence for persecution, there will always be found some persons on pernicious principles, who will promote base interests by popular delusions.

In reviewing this pamphlet the Critical Review gave it praise and repeated the thought that the laws against forestalling were reminiscent of the laws regarding witchcraft. At this point it is not just the ideas but even the language of the Reflections that is being copied by Smith!¹⁹ One point should be noted regarding Smith's more extensive borrowings, such as from the Discourse or the Reflections; they are all from authors whose general bias is definitely similar to his own. It would appear that Smith tried to "adopt" the economics of those authors who revealed a kindred philosophy, without much caring whether the overall economic structure was consistent.

Excluding those cases where there is some direct textual similarity, there is also an interesting case in which Smith's language narrows

down the possible pamphlets he could have referred to. After having characterized the Mercantile System as one which confused wealth and money, Smith appears to qualify his characterization near the end of the chapter.²⁰

Some of the best English writers upon commerce set out with observing, that the wealth of a country consists, not in its gold and silver only, but in its lands, houses, and consumable goods of all different kinds. In the course of their reasonings, however, the lands, houses, and consumable goods seem to slip out of their memory, and the strain of their argument frequently supposes that all wealth consists in gold and silver, and that to multiply those metals is the great object of national industry and commerce.

Who could Smith be referring to? One possibility is Sir William Petty, whose Political Arithmetik bears some resemblance to Smith's description. However, Smith speaks of "authors" in the plural and Petty does not quite fit Smith's characterization so we should look for further pamphleteers. In this connection, the following paragraph of Eli Heckscher is worth noting. Heckscher is considering the same issue discussed by Smith--how far the Mercantilists could be said to have identified money with wealth--and is led to describe his opinion of the highly praised Considerations upon the East-India trade.²¹

The development of the author's reasoning runs as follows: the true and primary wealth both of individuals and of the whole people consists of meat, bread, clothing and houses--the conveniences as well as the necessities of life; progress and improvement lie in the secure possession and the enjoyment of these things. They are wanted for their own sake; money is regarded as wealth because it will buy them. Precious metals are secondary and dependent; clothing and goods are real and primary riches....This reasoning appears so clear that misunderstanding seems impossible. This is not so, however, for the pamphlet continues to the effect that everything which is consumed in England is loss--it can reap no profit for the country...The author's talk of meat, bread, clothing and houses as the real riches is forgotten; such things are intended for use within the country and, indeed, this is scarcely to be avoided.

The similarity in the independent evaluations of Heckscher and Smith suggests that the Considerations is indeed one of the authors Smith was familiar with. This is significant because the Considerations has been considered one of the most brilliant pamphlets of the pre-Smithian age. Lord Macaulay called its author "An Achilles without a heel" and such sentiments have been echoed by many scholars. The specific points on which the Considerations is superior are the division of labor and the role of machinery. Of all analysts of the division of labor prior to The Wealth of the Nations, the Considerations is the most explicit in relating the division of labor to the size of the market. Insofar as Smith knew this pamphlet, whatever limited originality he could have claimed for his analysis of the division of labor, is now called into question. In addition, Smith must also be held responsible for having failed to present in The Wealth of the Nations the fine analysis of machinery in the Considerations.

III. In gauging Adam Smith's indebtedness in Sections III and IV I shall try to remain on the safe side by referring only to works that Smith definitely knew of or those which we have good reason to believe that he had read because they were in his library. In section IIIA, Smith's relationship with three of his Scottish predecessors and contemporaries is considered while section IIIB deals with two Anglican clergymen-economists, Bishop George Berkeley and the Rev. Josiah Tucker. The relevance of Smith's contemporaries should be obvious while the clergymen-economists are important because the dominant philosophical approach to the market, prior to the rise of the Scots, was provided largely by theologians.

That Smith made his acknowledgements with less than full generosity has already been noticed by several authors, e.g., Joseph Schumpeter.²² It is stated by Schumpeter that this was the practice of the age. This is incorrect. If we turn to some of the works quoted in the Wealth of Nations, such as Charles Smith's Tracts on the Corn-Trade or John Smith's Memoirs on Wool, we shall find them scrupulous in acknowledging their intellectual debts. Among Smith's contemporaries, Gibbon is well-known for the care with which he provides references and the same is true of the best-known agricultural writer of Smith's day, Arthur Young. The Monthly Review even takes John Campbell to task for providing too many references, a criticism that clearly indicates that the acknowledgement of other scholars' works was by no means uncommon. Perhaps the most interesting testimony to the contemporary practice of being careful about sources is provided by Smith himself in his Lectures on Rhetoric:²³

Historical truths are now in much greater request than they ever were in the ancient time. One thing that has contributed to the increase of this curiosity is that there are now several sects in religious and political disputes which are greatly dependent on the truth of certain facts. This it is that has induced almost all historians for some time to be at great pains in the proof of those facts on which the claims of the parties they favoured depended.

Among Smith's famous contemporaries only David Hume can be faulted with a reluctance to state acknowledgements for Hume failed to give credit to either James Oswald for his correct statement of the influence of a growing quantity of money or to the Rev. Josiah Tucker for having persuaded Hume that the prosperity of different nations was quite compatible. As these are among the two most valuable contributions of Hume as an economist, it seems that Hume's fame in this sphere would be considerably diminished by a proper allotment of priorities. Having mentioned Oswald, it is worth adding that Smith was indebted to Oswald for the significant suggestion that price should be split up into its component parts of wages, rents and profits. R. L. Meek's attribution of prescience to Smith for having "introduced" profits as a separate component of national income needs to be modified in this light.²⁴

A more important omission is the failure to give due credit to the Rev. Francis Hutcheson. When Adam Smith entered Glasgow College in 1737, he came into contact with one of the outstanding intellects of eighteenth century Britain, Francis Hutcheson. The lectures of Hutcheson mark a turning-point in the intellectual life of Scotland. While some groundwork had been laid by the lectures of Gershom Carmichael, Hutcheson's predecessor, there is general agreement that

it was the vivacity and force of Hutcheson's lectures, the first Scottish professor to lecture in English instead of Latin, that put a new face upon learning in Scotland. The extant publications of Hutcheson would appear to be a pale reflection of his abilities since everyone agrees that the principal source of Hutcheson's impact was his lectures. Nonetheless, even the available writings of Hutcheson are of such quality that W. L. Taylor has come to the conclusion that²⁵ "No other man...did as much to guide the development of his [Smith's] intellectual awakening and mold his ideas as did Francis Hutcheson."

To begin with, let us remind the reader of W. R. Scott's demonstration that the order of several of Smith's lectures were patterned after those of Hutcheson, as well as Scott's conjecture that Smith did what many a subsequent teacher has done at the beginning of his career--use his own student lecture notes as the basis of his teaching. But Smith's indebtedness goes beyond that of adopting a general plan. Consider Hutcheson's remarks on the role of demand in setting market prices:²⁶

When there is no demand, there is no price were the difficulty never so great; and were there no difficulty or labor requisite to acquire, the most universal demand will not cause a price; as we see in fresh water in these climates. Where the demand for two sorts of goods is equal, the prices are as the difficulty. Where the difficulty is equal, the prices are as the demand.

When Hutcheson comes to compare the standard of living at different times, he considers that a comparison with the price of labor forms the best deflator. Smith was later to adopt the same measure, having meanwhile turned an approximation into an "invariable measure." The most

striking debt of Smith to Hutcheson is probably due to the latter's clear statement of the principles underlying Say's Law. Without some way of asserting that luxury expenditures were not essential for full-employment, Smith would have been hard-pressed to justify a system of accumulation and growth based on frugality. Hutcheson provided just such an argument in his reply to Mandeville's claim that robbers were beneficial in providing employment to locksmiths.²⁷

Who needs be surprised that luxury or pride are made necessary to public good, when even theft and robbery are supposed by the same author [Mandeville] to be subservient to it, by employing locksmiths? were there no occasion for locks, had all children and servants discretion never to go into chambers unseasonably, this would make no diminution of manufactures; the money saved to the housekeeper would afford either better dress, or other conveniences to a family, which would equally support artificers, even smiths themselves might have equal employment. Unless all men be already so well provided with all sorts of convenient utensils, or furniture, that nothing can be added, a necessity or constant usefulness of robbers can never be pretended, any more than the public advantages of shipwrecks and fires, which are not a little admired by the author of the fable.

It has often been pointed out by scholars that in a letter to the University of Glasgow Smith referred to the²⁸ "never to be forgotten Dr. Hutcheson," as though this made amends for the omission of any mention of Hutcheson in the Wealth of Nations. The general public could not, after all, be expected to either know of a private letter to the University or be able to read into it Smith's extensive debts to Hutcheson.

The author who could have most expected that Smith would have referred to him but who was nonetheless passed over in complete silence was Sir James Steuart. In a letter to William Pultney, Smith spoke

condescendingly of Steuart's Inquiry, perhaps the first systematic treatise in English to be laid before the public:²⁹

I have the same opinion of Sir James Steuart's book that you have. Without once mentioning it, I flatter myself that any fallacious principle in it will meet with a clear and distinct confutation in mine.

Later Smith added to the wound by saying that he had not come across any intelligible account of the Bank of Amsterdam written in English, thus implying that Steuart's own description of that Bank was unintelligible!³⁰

While Smith's total neglect did not make Steuart's name a lost one in the last quarter of the eighteenth century, it was nonetheless a considerable blow. Modern commentators have found much to admire in Steuart. The methodological eclecticism of Steuart, for example, indicates a more delicate understanding of the specificity of economic policy than is available in Smith. Steuart has a perceptive discussion of the difference between expenditures for subsistence and expenditures to maintain one's social rank, much like Thorstein Veblen. Steuart also provides a good description of economic transactions such as services, which were not embodied in some material output, while his discussion of price formation is worth quoting:³¹

In proportion...as the rising of price can stop demand, or the sinking of price can increase it, in the same proportion will competition prevent either the rise or fall from being carried beyond a length.

Both Smith and Steuart shared a belief in the resilience of the market economy and it is noticeable that Smith uses exactly the same fact to illustrate this belief, the easy reemployment of disbanded soldiers after

the Seven Years War, as had Steuart nine years earlier. Not all Smith's contemporaries were happy with Smith's literary manners and one of Steuart's obituarist makes a thinly-veiled reference to Smith as a plagiarist!

Robert Wallace was one of the royal chaplains of Scotland and a well-known figure in Scottish intellectual circles. Hume's long essay "On the Populousness of Ancient Nations" was originally meant as a reply to an unpublished essay of Wallace on the same topic. The publication of Hume's essay forced Wallace to publish his hitherto unpublished manuscript. Later, Wallace was to write another essay on population in which he envisioned a communistic Utopia and then forecast the downfall of such a society due to the growth of population. The anticipation of the Malthusian population thesis is remarkable, save for Wallace's prognostication that the Utopia would be doomed over a long period of time, a century or two, whereas Malthus envisioned the same failure as occurring within a decade or two. In 1758, Wallace published a pamphlet entitled Characteristics of the Present Political State of Great Britain in which he combatted various notions which suggested that Great Britain was on the decline. One of the views Wallace took issue with was Hume's opinion that a nation whose public debts were on the rise must decline. More pertinent to Adam Smith however is Wallace's statement on the true source of wealth.³²

In our inquiries concerning wealth, it is usual to consider silver and gold as the most substantial riches, as well as the most necessary means of procuring them: but neither the one, nor the other, is true. Industry is the chief mean of acquiring riches.

A little later, Wallace provides a market-based argument to show that high prices do not necessarily indicate poverty among a people³³

In a nation where there is a greater stock of corn of cattle, and of all sorts of commodities, than formerly, if at the same time the prices of those goods, instead of being diminished, are increased, there must be more buyers. If it were otherwise, the prices would fall. Again, if there are more buyers, either there must be more people in the nation for home consumption; or, if there is not, there must be a greater export and foreign trade; upon which supposition the nation must be richer. Which was to be proved.

When Wallace has to consider the effect of luxury upon a nation, he does not deny that some individuals may ruin themselves by their excesses but he denies that the bulk of any nation can ever be so far lost to the charms of frugality. The similarity with Adam Smith's own argument on this issue is striking:³⁴

The bulk of an industrious people never were, and, according to the common principles of human nature, never will be disposed to exceed their revenues. Such people are commonly attentive to gain. The love of profit is stronger with them, than the love of pleasure. In consequence of this they live within bounds, and the far greatest part of them are frugal. It is chiefly among men of great fortunes, who gain nothing by labor, that we shall find the disposition to extravagant expense. In an industrious nation these form but a small body.

There can be little doubt that Adam Smith was familiar with the writings of Wallace. In addition to the above passage, one may note the close correspondence between Wallace's argument on the competitive advantage of rich nations and those of Adam Smith on the same topic in his University lectures (but which were not subsequently incorporated into the Wealth of Nations).

IIIB. The one author who comes in for the most consistent praise in Wallace's Characteristics is George Berkeley, Bishop of Cloyne, and author of the Querist, a brilliant and incisive pamphlet on the economic problems faced by a poor country--Ireland. Wallace remarks that the

Querist "deserves well to be perused by every lover of his country, and of mankind." Let us see what Berkeley has to say on the true sources of wealth:³⁵

Whether the four elements, and man's labor therein, be not the true source of wealth.

And on the relationship of gold and silver to the true source of wealth:³⁶

Whether there be not a measure or limit, within which gold and silver are useful, and beyond which they may be hurtful?

Whether a discovery of the richest gold mine that ever was, in the heart of this kingdom, would be a real advantage to us?

Who does Berkeley think should be the true beneficiaries of economic policies?³⁷

Whether a people can be called poor, where the common sort are well fed, clothed and lodged?

Whether in all public institutions, there should not be an end proposed...Whether this end should not be the well-being of the whole? And whether, in order to achieve this, the first step should not be to clothe and feed our people?

It would take up too much space to consider Berkeley's advanced views on the nature of money and banking; suffice to say here that modern scholarship finds more to admire in Berkeley's monetary theories than in those of Hume or Smith.

Since Berkeley died as Bishop of Cloyne in 1753, one might ask whether Smith would in fact have known of Berkeley. Even if one discounts the fact that Smith owned copies of both the Querist and Berkeley's Collected Works, there is a variety of circumstantial evidence or "conjectural history" to suggest that Berkeley would have been known to Smith in the 1740's. To begin with, it should be pointed out that Berkeley was perhaps most famous in his own day as the philosopher of

immaterialism. This curious theory so stimulated the youth of Scotland that a club was formed in Scotland in 1740 to discuss and propagate Berkeley's views. It is unlikely that Smith, who was just leaving Glasgow College, would be ignorant of this club. As Berkeley's Querist was first published in 1736, it is more than probable that the Querist was also extensively discussed by the young intelligentsia of Scotland in the 1750's. When Adam Smith went off to Oxford, he suffered a period of depression in 1744. In a letter to his mother in 1744 Smith writes that he was feeling better due to having taken tar-water. Now Berkeley had written a pamphlet, Siris, on the virtues of tar-water as a medicine, in 1743 and this had given rise to a popular craze for tar-water. And if Smith did read Siris, is it not likely that he would have sought out other pamphlets by the same author, especially if they related to trade? Finally, we find that the Querist was reprinted twice in Scotland in the 1750's by printers whom Smith was familiar with; the fact of such reprinting shows an intense interest in Berkeley among the Scottish reading public and the printers can be reasonably supposed to have brought their reprints before the professor who had to lecture on such topics. And yet, the only contemporary author Smith quotes as critical of mercantile ideas, whether in his Lectures or the Wealth of Nations, is David Hume.³⁸

The Rev. Josiah Tucker was a contemporary of Smith who had achieved considerable fame as a writer on commercial affairs. Tucker had written in support of Naturalizing foreign Protestants and Jews and against the monopoly of the Turkey Trade. Some of his works had even been translated into French. In 1758, he engaged in a controversy with David Hume on the question whether a country that acquired a balance of gold through

trade must necessarily lose it again. It is agreed by most modern scholars that Tucker had the best of Hume in this debate and that Hume's liberal views on International Trade were substantially influenced by Tucker. Smith must have known of Tucker through Hume; in any case, Tucker published his side of the debate in 1774, two years before the publication of the Wealth of Nations. Tucker was also the principal advocate for a complete separation of the Colonies, a prescient opinion that only earned him a reputation as a visionary. Smith owned most of Tucker's tracts, yet made no mention at all of him either in 1776 or ten years later, when revising the Wealth of Nations, at a time when Tucker's prophecy of separation had come true. Tucker, it may be pointed out, is the only author singled out by James Bonar as having been unfairly neglected by Smith.³⁹

Tucker was a vigorous advocate of a complete freedom of internal trade and an example of his arguments may be seen from his attack on attempts to fix wages and prices by law.⁴⁰

"The statutes regulating wages and the price of labor are another absurdity, and a very great hurt to trade...Nay, how indeed can any stated regulations be so contrived as to make due and reasonable allowance for plenty or scarcity of work, cheapness or dearness of provisions...the goodness or badness of the workmanship...the unequal goodness of the material to work upon, state of the manufacture, and the demand, or stagnation, at home or abroad?"

In consistency with the above, Tucker was against any interference in markets which had become temporarily glutted. Indeed, in Tucker's statements about the ability of the economy to reemploy displaced workers some scholars have seen an early version of Say's Law.⁴¹

Tucker's view on the benefits of labor-saving machinery is also unequivocal. The great lowering of price upon introduction of such

machinery leads to large increase in demand for the product and this in turn leads to the reemployment of those laborers previously dismissed in making and tending machines and in wholesaling and retailing the improved product. Apart from glossing over the transitional period, Tucker's discussion is complete.⁴² It is also much more to the point than the corresponding discussion in Book II, Chapter II of The Wealth of Nations.

Tucker's view of the potency and role of self-interest are as sophisticated as any to be found in the economic literature of the eighteenth century. Firstly, Tucker believed strongly in the power of self-love and that it normally produced beneficial results.⁴³

"But what is the Office of Reason? Not surely to extinguish Self-Love; that is impossible: And it might even be questioned whether it would be right to attempt to diminish it: For all Arts and Sciences, and the very Being of Government and Commerce, depend upon the right exertion of this vigorous and active Principle..."

Secondly, Tucker realized that, left to itself, self-love degenerated very rapidly into a spirit of Monopoly.⁴⁴

...were this Passion to Proceed without Direction or Control, it would in a great measure defeat its own Ends. For Self-Love is narrow and confined in its Views, and admits of no Sharers or Competitors, where-ever it can exclude them. Therefore when you see a Set of Individuals forming Combinations and exclusive Societies, you may observe, that the Members of this exclusive Company are still Rivals and Competitors among themselves; and after having excluded the rest of their Fellow-Subjects, would, in the next Place, exclude each other, if they could.

The function of the law, however, was precisely to direct self-love such that its operations would lead to beneficial results.⁴⁵ ".....the main Point to be aimed at, is neither to extinguish nor enfeeble Self-Love, but to give it such a Direction, that it may promote the public Interest

by pursuing its own: And then the very Spirit of Monopoly will operate for the Good of the Whole."

Tucker clearly perceived the problems inherent in letting self-love run its course, and he suggested a solution--judicious interference by the state. He also noted that such interference would, in general, harm some particular interests and suggested that such interests should give way before the public good. It is worth noting that Tucker explicitly deals with the issue of designing institutions so as to let self-interest drive the economy to favorable goals. His treatment of the institutional background of a market economy is more useful than the corresponding work of Smith, who deals with such issues on an ad hoc basis and does not view the general problem.⁴⁶

IV. If we turn from Smith's neglect of earlier economic writers to his treatment of contemporaries who criticized the Wealth of Nations, the situation is not much improved. Shortly after the publication of the Wealth of Nations two good critiques of various doctrines in that work were published. The first was by Thomas Pownall,⁴⁷ one-time Governor of Massachusetts and was directly addressed to Smith. Pownall made several pointed criticisms of Smith, principally because he was worried that Smith's book would soon become the standard text and its errors thereby propagated. Pownall questions whether the propensity to truck is an "innate propensity" of human beings and whether labor can properly be considered as an invariable measure of value. In a curious reversal of roles, Pownall takes Smith to task for distinguishing between natural and market price. The market price was the natural price according to Pownall and distinguishing between the two could only encourage someone to interfere with the market and try to establish the "natural" price. Pownall opposes Smith's view of money purely as a circulating medium and considers that the neglect of money's role as a repository of value can encourage not only the use, but also the excessive use, of paper money as a substitute for gold and silver. His own experience in the colonies led Pownall to believe that his fears on this issue were well-founded in experience. Pownall tries to analyze the impact of an influx of money, paying particular attention to the lag with which the prices of the agricultural sector rise. On the basis of this lagged effect, Pownall supported some measure of protection to Agriculture, and, in particular, to a defense of the bounty on corn. Some of Pownall's most perceptive comments are with respect to infant industries. He agrees

that restraining such imports "as cannot be made so cheap at home" is not a good policy, but this is not how such protective legislation is designed. When the industry to be supported is skillfully chosen, society soon recovers the initial costs of support.⁴⁸

Although these efforts, thus artificially forced, are at first disadvantageous and unprofitable to the community: yet by his industry being so directed to, and so supported in a line of labor, which he could not naturally have gone into, nor could have supported himself by, these first efforts, which the community pays for, do by repeated exercise produce skill, which in time will work as well, and enable the home manufacturer (if his labor is employed on native home rude produce) to sell as cheap, and soon cheaper, than the foreign workman and manufacturer; his labor then will become profitable to himself, and advantageous to the community of which he is a part. It was thus our woolen and hardware manufacturers were first encouraged and supported.

In later editions of the Wealth of Nations Smith makes some slight changes to his text, without indicating any acknowledgement to Pownall. None of the substantive criticisms of Pownall are taken note of by Smith in his revisions but Smith nonetheless wrote to Andreas Holt that:⁴⁹

"...I flattered myself that I had obviated all the objections of Governor Pownall. I find, however, he is by no means satisfied, and as Authors are not much disposed to alter the opinions they have once published, I am not much surprised at it."

Smith appears unaware that exactly the criticism he makes of Pownall is applicable to himself.

The second criticism of a doctrine supported in the Wealth of Nations was written by James Anderson, an agricultural economist who is now justly famous for his original exposition of the theory of rent. In his Enquiry into the Nature of the Corn-Laws Anderson opposed Smith's doctrine on the corn bounty. With commendable analytical exactness Anderson divides agricultural land into various grades and denotes

these A,B,C,D,E, etc. He then shows that fields which are less fertile will not be cultivated unless the price of corn (or oats) rises to a certain level. Anderson concludes that:⁵⁰

rents are not at all arbitrary, but depend on the market price of grain; which in its turn, depends upon the effective demand that is for it, and the fertility of the soil where it is raised: so that the lowering of rents could never have the effect of rendering grain cheaper.

This is a very lucid argument to show that agricultural rents are price-determined, not price determining. Had Smith seen fit to either accept or reject publicly Anderson's analysis, the corn-model of rent determination would at least have entered economic analysis well before Ricardo, Malthus or West.

In a letter to a correspondent in 1780 Smith referred to Anderson as "a very diligent, laborious, honest man" but claimed that he had made a verbal alteration in response to Anderson's seventy-five page argument and this sufficed to take away⁵¹ "the foundation of the whole argument of Mr. Anderson." This tour de force of brevity seems to have given Smith second thoughts because he apparently told Dr. Cullen at a later date that Anderson deserved a reply. In 1790 Anderson was full of good-will towards Smith and spoke highly of him in a periodical that he edited, the Bee, but as time went on he became bitter about Smith's refusal to accept his arguments and in 1801 he referred to Smith as a "peevish" theorist.⁵² It is unfortunate for the history of economics that Smith did not see fit to publicize the penetrating economic analysis of Anderson.

V. The general trend of the recent literature has been to emphasize either the difficulty or the futility of establishing Smith's relationship to his predecessors and contemporaries. Thus, Andrew Skinner and Robert Campbell write that:⁵³

it is obviously difficult to the point of impossibility to establish the extent of Smith's debts to his predecessors...it need not surprise us to discover that the W[ealth] [of] N[ations] may also represent a great synthetic performance,

R. H. Coase is somewhat more patronizing of historians in his treatment of the question of priorities:⁵⁴

Historians of economic thought tell us, I am sure correctly, of the works of others, such as Hutcheson and Mandeville, that influenced Smith. But he absorbed their ideas and made them serve purposes of his own.

In a survey article published in the widely read Journal of Economic Literature, Horst Claus Recktenwald pretends to discuss the group of questions arising from the viewpoint urged in this essay and dismisses them as nitpicking.⁵⁵

Occasionally when quoting from memory, Smith misattributed ideas, or his use of authorities may be inaccurate. At times he neglects to quote the source, even unconsciously repeating phrases from his own or other writings. Viewed pedantically and perhaps unfairly compared with later criteria of transcription, such carelessness can be made to appear as a substantial fault or even plagiarism, a charge sometimes raised in literature. But compared to Smith's mental power, his grandiose concept, and his own intellectual indebtedness, this charge seems to me to be merely "beckmesserisch" (nitpicking).

If Smith repeats phrases from his own writings that is scarcely an issue but how would Recktenwald know that Smith "unconsciously" repeats other writings? And if Smith only misattributed ideas, this would be a relatively minor point--the real point is that Smith misstated peoples' ideas, such as those of Locke or the Physiocrats.

Recktenwald provides a good example of how Smithian scholarship claims to have done its homework, while failing to do so. Such carelessness is scarcely fair, for a good deal of Smith's fame in popular minds is based on historical misunderstandings of the sort dismissed by Recktenwald.

In 1903, E. R. A. Seligman had complained of the failure of scholars to put Smith's ideas in proper historical context:⁵⁶

The absence of an historical school of economics in England and the glamour of a few great names which have thrown everything else into the shade explain, but do not excuse this neglect. Careful students of Adam Smith who are at the same time acquainted with the earlier literature, are well aware of how much he owes to his predecessors; but the ordinary manuals of the history of economics lay but little emphasis on this debt.

These sentiments were largely confirmed by the later studies of Eli Heckscher, Bruno Suivrinta and Jacob Viner in the next quarter century and the same general thesis reasserted by W. D. Grampp in 1952.⁵⁷ The failure of modern scholars to absorb and publicize these facts has led to widespread ignorance. Even in 1985 we find such astounding assertions as:⁵⁸

Development economics started with Adam Smith's The Wealth of Nations ...

Since the first economic book, The Wealth of Nations by Adam Smith...

Adam Smith's peculiar habit of acknowledging as little as possible where issues of substantive theory were involved is all the more extraordinary in view of Smith's jealousy about his own priorities. In 1755 he publicly asserted authorship of the system of natural liberty⁵⁹ "in order to prevent the possibility of some rival claims which he thought he had reason to apprehend." Subsequently he leveled

charged of plagiarism against Adam Ferguson in 1767 and William Robertson in 1769. Such accusations led to a breach with Ferguson, probably around 1780, and things were not patched up till Smith lay close to death. The accusation leveled at Ferguson is especially curious because it can be shown that Smith's treatment of the division of labor, the bone of contention between the two men, was substantially adopted from the French Encyclopedie! Ferguson's reply that he had only dipped into the same French source as Smith should have settled the controversy. On a further point, it may be pointed out that Smith does not even refer to Ferguson's elaborate analysis of the alienation of the worker under the division of labor. The analysis of Smith's own Lectures is quite brief and scarcely touches upon the broader sociological implications deduced by Ferguson.⁶⁰ That Adam Smith's character possessed many strong virtues is undoubted, but a capacity to be clear-headed about intellectual priorities does not appear to be among them.⁶¹

In the only recent discussion of this feature of Smith's literary style, Clyde Dankert⁶² notes the paucity of references in The Wealth of Nations and relates the incident of Smith having told James Boswell that "he was convinced that a Book should be complete and without references to other Books." It is possible that Smith meant that the argument of a book should be self-contained which is certainly an excellent ideal in a volume meant for general instruction. In the context it is quoted, however, it appears to refer to the customary practice of acknowledging one's intellectual predecessors; if so, Smith's words are certainly extraordinary. What remains to

distinguish a plagiarist from an honest pedagogue? Scholars hinder our historical understanding by failing to turn a cynical eye upon the author who informed us that the desire to improve our situation comes with us from the womb and does not leave us till we get to the grave. Intellectuals seek immortality as purveyors of important original ideas. Why should Adam Smith be exempt from such feelings? And, if he did possess them, why do scholars feel uneasy about publicizing this issue? Did Smith's desire for fame cause his ideas on free trade to become better known than those of his peers and predecessors? If so, was his selfishness perhaps an instrument of the general welfare?

NOTES

1. Richard Whately, Introductory Lectures (London 1831), 3. J. S. Mill, Principles of Political Economy (London 1872), Preface. J. R. McCulloch, The Literature of Political Economy (London 1845), 13. E. Cannan, ed. The Wealth of Nations (New York 1937), by Adam Smith. Editors Introduction, li.
2. Jacob Viner, "Adam Smith and Laissez-Faire" in J. M. Clark et. al, Adam Smith 1776-1926 (Chicago 1928), 118. D. Vickers, "Adam Smith and the Status of the Theory of Money." S. G. Checkland, "Adam Smith and the Bankers." Both are in Essays on Adam Smith ed. A. S. Skinner and T. Wilson (Oxford 1975). The failure to understand that Smith's microeconomics is no improvement upon the "folk" microeconomics that was common knowledge by 1760 is the most persistent failing in the existent literature. I deal with this point in some detail in a forthcoming comment on G. Anderson and R. Tollison "Sir James Steuart as the Apotheosis of Mercantilism and His Relation to Adam Smith," Southern Economic Journal (October 1984).
3. J. Schumpeter, History of Economic Analysis (New York 1954), W. D. Grampp, "The Liberal Elements in English Mercantilism," Quarterly Journal of Economics (November 1952), 465-501. E. Heckscher, "Mercantilism," Economic History Review (1936-37), reprinted in D. C. Coleman ed., Revisions in Mercantilism (London, Methuen 1969), 19-34.
4. Smith, op. cit., 24-25.
5. Cannan, op. cit., xlix.
6. "An Account of the Life and Writings of Adam Smith, LL.D." in The Collected Works of Dugald Stewart vol. 10 (Edinburgh 1872), 67-68. There is considerable mystery surrounding this occasion.
7. The argument of the Lectures argues against trade restrictions because they raise prices. Smith does not really provide any effective arguments for free trade except by attacking its negation. Book IV of the Wealth of Nations, on the other hand, contains a powerful, direct defense of Free International Trade.
8. Quoted by Dugald Stewart in his Biographical Sketch of William Robertson, op. cit., 204.
9. Smith, op. cit., 7.
10. op. cit., 8.
11. A Discourse of the Commonweal... ed. Mary Dewar (Charlottesville, Virginia 1969), 76.

12. Scholars have probably been misled by looking only in Hutcheson's works for sources of Smith's thought. A careful comparison will show that Smith does not give Hutcheson's arguments on the benefits of money.
13. I try to deal with the second aspect of Smith in "Adam Smith's version of the history of economic thought and its influence in the Eighteenth and Nineteenth Centuries." (mimeo).
14. Smith, op. cit., 490, 500.
15. Edinburgh Review (1804).
16. Political Arithmetic (London 1774), 329-31.
17. Reflections... (London 1766), 1.
18. ibid, 40-41.
19. Critical Review (1766), 461-62. The Critical does not reveal the identity of the author but hints that it can be readily ascertained.
20. Smith, op. cit., 418.
21. E. Heckscher, Mercantilism (London 1965), vol. II, 367. Recent evidence presented by C. Mcleod clearly points to Henry Martin as the author. "Henry Martin and the authorship of the 'Considerations upon the East India Trade'," Bulletin of the Institute of Historical Research (Nov. 1983), LVI, 134, 222-229.

J. R. McCulloch said that Martin has "set the powerful influence of the division of labour in the most striking point of view, and has illustrated it with a skill and felicity which even Smith has not surpassed, but by which he most probably profited." The Literature of Political Economy (London: Longmans, 1845), 100. In view of the fact that the pamphlet was reprinted (with a new title) in 1720 and that copies of both editions are to be found in Joseph Massies Collection of Books and Tracts, ed. W. A. Shaw (London, Harding 1937), the current belief that the pamphlet was ignored appears unfounded.
22. op. cit., (fn. 3).
23. ed. J. M. Lothian (London 1963), 97.
24. I have partially dealt with Hume in "David Hume and Eighteenth Century Monetary Thought: A Critical Comment on Recent Views," Hume Studies (November 1984), 156-164.
25. W. L. Taylor, Francis Hutcheson and David Hume as Predecessors of Adam Smith (Durham 1965) 14. Another admirer of Smith has the following words to say about Hutcheson's influence, "Had Hutcheson

chosen to compile and to write rather than to lecture and to teach, the material obtainable from his notes would have left little ground for originality on the part of Smith," The Return of Adam Smith (Idaho 1949), 5, by George S. Montgomery. Mr. A. Malter has pointed out to me that in William Leechman's preface to Hutcheson's posthumously published System of Moral Philosophy (1755) there is a reference to the "unseen hand" of Providence. The resemblance to Smith's "Invisible hand" is curious.

26. Quoted by Taylor, ibid, 66.
27. Quoted by Taylor, ibid, 105.
28. John Rae, Life of Adam Smith (London 1895), 411.
29. ibid, 253-54.
30. The Wealth of Nations ed. by R. M. Campbell and A. S. Skinner (Oxford 1976), 10.
31. Principles of Political Economy, ed. A. S. Skinner, (London 1966), I, 177.
32. Characteristics.. (London 1758), 95.
33. Wallace, ibid, 119-20.
34. ibid, 136.
35. ibid, 22.
36. The Querist in The Collected Works of George Berkeley, ed. A. A. Luce and T. E. Jessop (London 1953), 105.
37. ibid, 128.
38. The failure of scholars to emphasize the niggardliness of Smith's scholarship leads to some amusing errors. Edwin Cannan believed the view that economic policy should aim at the welfare of the common man. So obliquely is Cannan's view presented that in the Pergammon Press microfiche, Adam Smith References Collection, it is bluntly stated in the Guide. "Adam Smith refers to the... queries in his WEALTH OF NATIONS." Would that this were true!
39. J. Bonar, The Tables Turned (London 1926), 38.
40. As quoted by W. E. Clark, Josiah Tucker Economist (New York, 1901), 146.
41. P. Lambert, "The Law of Markets prior to J. B. Say the the Say-Malthus Debate," translated from the Revue d'Economie Politique (1942) in International Economic Papers I, (1952).

42. Tucker's treatment of machinery has frequently been quoted by economic historians.
43. The Elements of Commerce.. (privately printed 1756), reprinted in R. L. Schuyler ed., Josiah Tucker (New York, 1931), 59.
44. ibid, 59.
45. ibid, 58.
46. The best account of Adam Smith's treatment of the institutional framework is to be found in N. Rosenberg "Some Institutional Aspects of the Wealth of Nations," Journal of Political Economy (December 1960), 557-570. A careful reading of this fine article will, nonetheless, show that the treatment of institutions is not explicitly considered by Smith. This view of the relative merits of Smith and Tucker on the role of institutions is also espoused by F. A. Hayek, Studies in Philosophy, Politics and Economics (New York 1967), 100.
47. A Letter from Governor Pownall to Adam Smith L.L.D.F.R.S. (London, 1776). Reprinted in Correspondence of Adam Smith ed. E. C. Mossner and I. S. Ross (Oxford 1976).
48. Letter, 359.
49. W. R. Scott, Adam Smith as Student and Professor (Glasgow, 1937), 282. The Danish translator nonetheless appended a translation of Pownall's Letter to his translation of the Wealth of Nations.
50. J. Anderson, Enquiry into the Nature of the Corn-Laws (Edinburgh, 1777).
51. Scott, op. cit, 282.
52. A Calm Investigation into the Circumstances... (London 1801), 15-17. A recently discovered letter of James Anderson shows that even in 1777 Adam Smith had gained a reputation for possessing "the greatest hauteur imaginable." A. C. Dow, "The hauteur of Adam Smith: an unpublished letter from James Anderson of Monkshill," Scottish Journal of Political Economy, v31, 3 (Nov. 1984), 284-85.
53. A. Skinner and R. H. Campbell, eds. An Inquiry into the Nature and Causes of the Wealth of Nations (Oxford 1976).
54. "The Wealth of Nations," Economic Inquiry (July 1977).
55. "An Adam Smith Renaissance anno 1976? The Bicentenary Output," Journal of Economic Literature (March 1978), 56-83.
56. Introduction to W. E. Clark (fn. 40).

57. E. Heckscher, (fn. 2). B. Suivrantta, The Theory of the Balance of Trade (Kelley 1967). J. Viner, Studies in the Theory of International Trade (Kelley 1965). W. D. Grampp (fn. 2).
58. Daniel L. Gressel in Manhattan Report on Economic Policy, vol. VI, no. 1, 12. T. Chotigeat, in a review of a collection of essays by A. K. Dasgupta, Southern Economic Journal (April 1985), 1256.
59. See fn. 6. It is possible that Smith's public assertions were provoked by either the prevalence of social analysis using Leechman's (or Hutcheson's) "unseen hand" (fn. 25) or the dissemination of Viscount Townshend's laissez-faire views. See S. Rashid, "Lord Townshend, Moral Philosophy and Laissez-Faire," Journal of Libertarian Studies (forthcoming).
60. This issue is covered in careful detail by R. Hamowy, "Adam Smith, Adam Ferguson and the Division of Labor," Economica (August, 1968), v35, 249-259.
61. My inability to read French and unwillingness to trust translations to adequately convey nuances has led to the omission of Smith's relation to the Physiocrats. This intriguing question has been raised several times in the past and considered insoluble in any definite way. The fact that Smith did not use an axiomatic framework for Free Trade in lectures before 1765 is suggestive of the notion that the Physiocrats did influence Adam Smith substantially. Certainly Dugald Stewart thought so in the lectures on political economy he delivered in Edinburgh. I deal with Stewart's views at greater length in an unpublished manuscript "Dugald Stewart's critique of the Wealth of Nations."
62. Adam Smith: Man of Letters and Economist. (New York, 1974), 81.

I am grateful to Larry Neal and Paul Uselding for their comments upon this paper. Unfortunately, I must bear sole responsibility for all errors.

APPENDIX

THE ADAM SMITH RENAISSANCE

Matters are not very much improved when we come to the historian who qualifies all this [oversimplification of Luther] by some such phrase as that "Luther however was of an essentially medieval cast of mind"; for this parenthetical homage to research is precisely the vice and the delusion of the whig historian.

Herbert Butterfield, The Whig Interpretation of History

The Wealth of Nations is said to be one of those rare books that do not age. Nineteen hundred and seventy-six has seen the bicentenary of the publication of this book celebrated with great enthusiasm. It is said that over 200 articles and books have been published on Smith over the last few years. It is possible to find praise for every aspect of Smith's work amidst this multitude; David Reisman commends Smith for his eclecticism and Paul Samuelson lauds his consistency; A. W. Coats goes so far as to find that Smith's treatment of the Mercantile System, traditionally thought to be a polemic and a caricature of pre-Smithian views, is a "brilliant combination" of historical reasoning and analytical insight. Jacob Viner once remarked that one must have really unusual views to be unable to find supporting quotes from the Wealth of Nations. In the bicentennial year, economists (and others) have seen fit to praise all these various views of Smith at once. It must be comforting to know that the founder of economics was a man without a flaw.

With this chorus of approval I am unable to agree. No one in the profession would now support the 19th century belief that Smith wrote "the first and only important" book on economics. Why then does the profession permit the perpetuation of such a view by its refusal to critically examine Smith's life and work? The very volume of the bicentennial literature precludes a study of even a minority of these essays, so I will simply focus on two important pieces, by Paul Samuelson and A. W. Coats, which have been used by Recktenwald as supporting his adulation for Smith.

In 1804, J. B. Say had claimed that² "Whenever the Wealth of Nations is perused with the attention it so well merits, it will be perceived that until the epoch of its publication, the science of political economy did not exist." Even though it is a rare scholar who would make such an unguarded statement today, it is nonetheless true that, at least by implication, such an opinion is still fairly widespread today. A recent book on capitalism speaks of Adam Smith as "almost the first

economist"; E. G. West writes that "Down to Adam Smith's time in the eighteenth century the occupation of commerce and trade were suspect. The activities of buying and selling and lending money were inhibited by the vague feeling that they were sinful"; W. E. Cullison speaks of interdependent preferences as having influenced many economists "ever since it was articulated by Adam Smith"; Huston McCulloch writes that "Before the Austrians came on the scene, economists were troubled by the so-called paradox of value, as Adam Smith expressed it."²

Both Vaizey and West are uttering gross untruths, while the bias of Cullison and McCulloch are subtler and more deep-rooted; it is implicitly assumed in their sentences that Smith was the first economist to speak of interdependent preferences or the paradox of value. In point of fact, the precise concept, conspicuous consumption, that Veblen is credited with, may be found in Locke, while readers familiar with Schumpeter know that the paradox of value had been stated and solved several times before Smith.⁴

Closely linked with the tendency to ignore Smith's predecessors and to inquire into the exact nature of Smith's contribution is a predilection for giving Smith the benefit of doubt to such an extent as to make the standards for judging Smith different from those for judging other economists. This fault is clearly visible in the paper of Paul Samuelson. In Samuelson's theoretical reinterpretation of the Wealth of Nations we find that the only economists, other than Smith, who are referred to are Malthus, Ricardo and Marx, despite the assertion in the first paragraph that Smith has risen in Samuelson's estimation, "both absolutely and in comparison with his predecessors and successors." It is the explicit claim of having studied the prior literature before coming to a judgment that is the most worrisome feature of Samuelson's assertion. Such claims almost inevitably generate the impression that Smith was "the first serious economist." Consider the following sentence.⁶

"Smith even before Malthus and Marx believed that human labor itself had a reproduction cost at...subsistence."

The dependence of population on subsistence is not only a well-worn theme in the pre-Smithian literature but the Malthusian thesis itself is to be found fully and eloquently described by both Robert Wallace and Sir James Steuart. By the standards of his predecessors, Smith's treatment of population is poor. In the same vein, since at least one economist, R. L. Meek, has seen Smith's genius to lie in the introduction of profits into the composition of price, thereby decomposing price into wages, profits, and rents, a decomposition that Samuelson defends, it should at least deserve mention that this decomposition was suggested by James Oswald, the⁷ "mercantilist" lawyer-laird who was a friend of both Smith and Hume.

Finally, those who have not read the Wealth of Nations can scarcely appreciate how bewildering that book is when one wants to extract rigorous analysis from it. An early partisan, Francis Horner, came to the conclusion that the confusion lay not in the writing but in Smith's mind itself.⁸

"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."

I have noted earlier Viner's remark that one would have to be an economist with truly unusual views not to find a supporting quote somewhere in the Wealth of Nations. Hence, when Samuelson remarked that he extracts a consistent general equilibrium and growth model from the Wealth of Nations with "a little midwifery sleight of hand," I would suggest that there is nothing slight in extracting the system that Samuelson does extract: Such a system could be visible only to those who have otherwise reached a consistent understanding of the economic mechanism. The same generosity, if extended to, say, John Locke, would equally produce a fully developed general equilibrium model (in fact, one closely akin to that of the Physiocrats). A double standard has been employed in judging Smith vis-a-vis his predecessors. The fact that such a misrepresentation of eighteenth century economic thought has been allowed to stand unchallenged is a sad reflection on the relative professional status of theorists and historians of economic thought.

The paper of A. W. Coats⁹ is important because, in his early work, Coats has provided admirable socio-historical treatments of the history of economics. An essay by Coats on a historical topic can be expected to be influential. The title of Coat's piece is "Adam Smith and the Mercantile System" and this holds considerable promise. Coats begins by stating that though Smith's treatment of Mercantilism was "an emphatic piece of free-trade propaganda," he suggests that "it is also much more than this." Let us briefly look at the paper, section by section, to see how such a claim is sustained.

Section II asks how Smith could object to Mercantilism when the system arose naturally (inevitably?) out of the highest stage of society--commercial society? No evidence is produced (to my knowledge there is none) to suggest that Smith believed that merchants must dominate the government of commercial society and the problem would appear to be one of Coat's own creation. The question having been posed, however, Coats finds the answer to lie in Smith's view that theories of political economy could have considerable influence on legislators. The section concludes by noting Smith's inconsistencies, reminding us that these may have arisen out of his conjectural view of history, but asking us to nevertheless take Smith's use of particular facts seriously. Section III discusses problems posed by the fact that "It is by no means clear from Smith's account which section of the propertied classes would 'naturally' have the upper hand in a commercial society." This is true, and if this fact had been noticed earlier it would have been superfluous to write Section II.

Section IV reminds us that the British Colonial System was not as harmful in practice as theory might lead us to believe and that it was less harmful in the case of the British than of other European nations. Coats does not add that this was very much staple fare with the pre-Smithians. In conclusion, we are told that, "This abbreviated survey of Smith's account of the mercantile system reveals his ability to combine economic principles with historical examples," and that modern historians admit that there was some justice in Adam Smith's strictures. In sum, Coats tells us that,¹⁰ "Thus even in the most polemical parts of his writings Smith's sense of historical reality did not desert him."

Harsh as it may sound, I would claim that Coats has set up a straw-man; no serious scholar has suggested that Smith's treatment of Mercantilism was totally unbalanced. No doubt a caricature exaggerates, but its entire impact surely lies seizing upon and ridiculing some true points. How many of us know of propaganda that does not contain some truth? The only point in reminding us that there are many useful observations in Book IV of the Wealth of Nations after having admitted that it is piece of propaganda, is to suggest that the propaganda aspect has been greatly overplayed. This is made clear in the following lines of Coats.¹¹

"Smith's profound impact on his own and subsequent generations--[is]--mainly attributable to his exceptional skill in combining analysis with empirical data, with historical examples, and with direct and incisive comments on the conditions and tendencies of his own times."

An assessment of this sort improves in the re-telling and it is therefore no surprise to find that Recktenwald does take Coats' essay to indicate a reversal of previous judgments about Smith on Mercantilism.¹²

"Coats' careful interpretation of 'Adam Smith and the Mercantile System' is an example of disentangling the combination of Smith's subtle analysis, historical insight, and policy prescriptions. These closely interwoven strands of thought we find also in some other parts of Smith's works. Coats' article opens interesting perspectives regarding Smith's theory of history and politics and Smith's view of economic development."

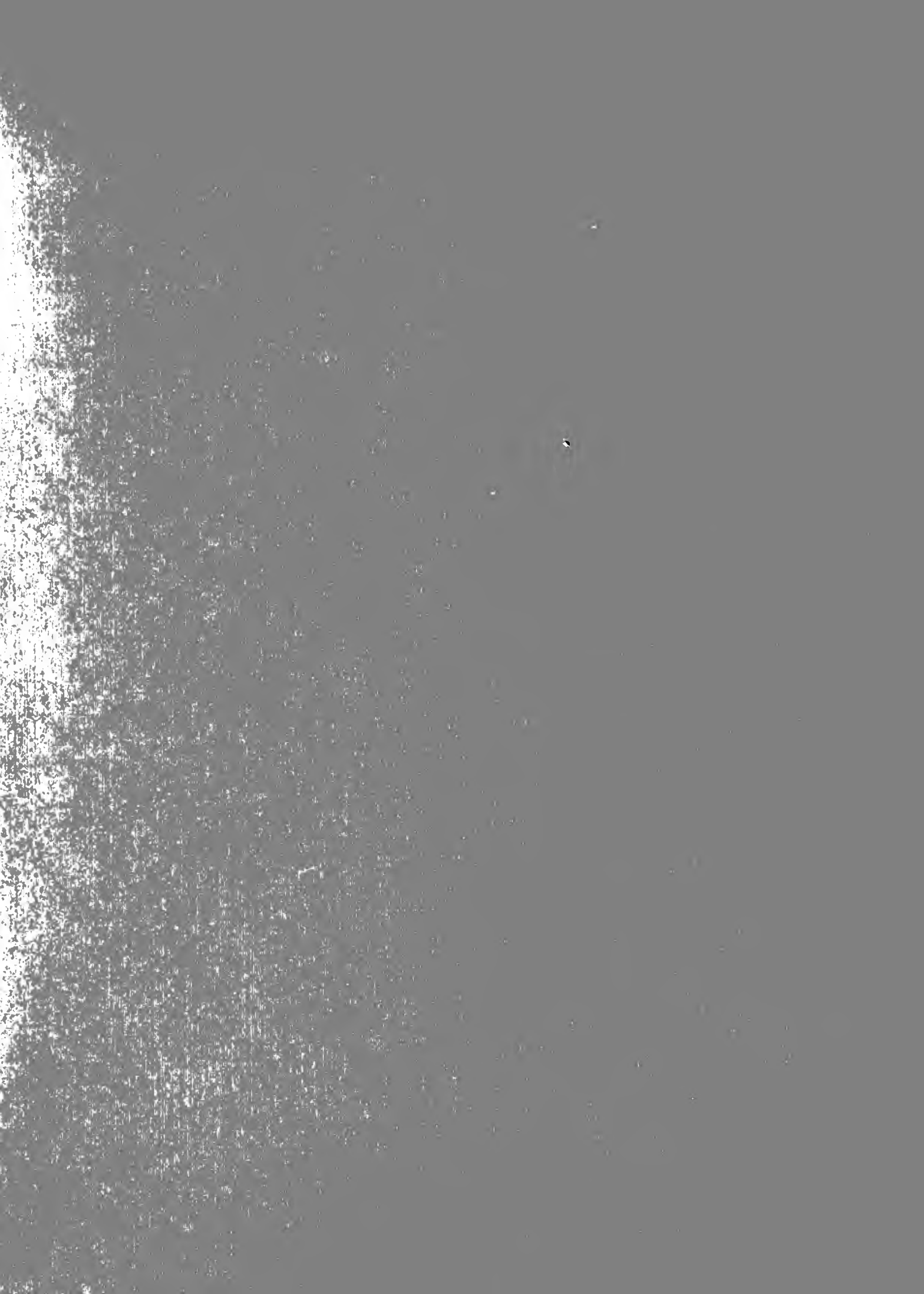
With this conclusion I must strongly disagree. As pointed out in the summary of Coats' article, no new facts are brought forth in Coats' "careful interpretation" and the substantive conclusion only serves to knock down a straw-man. Furthermore, no mention is made throughout the paper of what Smith's predecessors had to say. It is misleading to call the advocacy of a complete union between Britain and Ireland Smith's¹³ "most remarkable prognostication" without informing us that this project was also advocated by several well-known authors from 1700 onwards. Josiah Tucker, for example, was one of the most determined supporters of Anglo-Irish union. His ideas were repeatedly used, without acknowledgement, during the Irish Trade Debates in 1784 and it is said that

Tucker's words supporting the Union were reprinted, at Government expense, during the debates on the Union in 1800. Or consider the suggestion that Smith's¹⁴ "enthusiasm for liberty of commerce...was reinforced by his knowledge of the progress of Glasgow since the Treaty of Union in 1707." As Glasgow grew under the shelter of the protected colonial trade, does not the inference appear to be contrary to fact? Instances like these, from scholars who should know better, testify to the deadening effect Smith's fame has had upon scholarship.

I am happy to note that, in correspondence, Professor Coats has emphasized that he is no supporter of any status quo interpretation of Smith. How far my strictures on his article are justified I leave it to the reader to decide.

NOTES

1. "An Adam Smith Renaissance anno 1976? The Bicentenary Output" Journal of Economic Literature (March 1978), 56-83.
2. A Treatise on Political Economy (Philadelphia 1853), New American Edition by C. C. Biddle, Introduction, xxxviii.
3. J. Vaizey, Capitalism (London 1971), 50; E. G. West, Adam Smith (Indianapolis 1976); "Examining the Effect of Interdependent Consumer Preferences on Economic Growth, or Re-Discovering Adam Smith and His Eighteenth-Century Contemporaries." Southern Economic Journal (April 1978), 937; "The Austrian Theory of Marginal Use and of Ordinal Marginal Utility," Zeitschrift für Nationalökonomie, (No. 3-4, 1977), 259. I have substituted a comma for a period in the quote in order to maintain continuity.
4. "Considerations on the lowering of Interest...", reprinted in The Works of John Locke (London 1823) vol. V, 58-59. J. A. Schumpeter, History of Economic Analysis (London 1954), 300.
5. "A Modern Theorist's Vindication of Adam Smith," American Economic Review, Papers and Proceedings, (Feb. 1977), 42-49. (Emphasis added in the quote.)
6. Op. cit., 45 (emphasis added).
7. Oswald's contribution was first made known by Dugald Stewart in his Memoir of Adam Smith (Edinburgh 1793).
8. Memoris of Francis Horner (London 1843), vol. 1, 164.
9. "Adam Smith and the Mercantile System," in Essays on Adam Smith, ed. A. S. Skinner and T. Wilson (Oxford 1975).
10. Coats, op. cit., 236.
11. Op. cit., 221.
12. Recktenwald, op. cit., 67. This paragraph is taken from a section entitled "Current Corrections of Past Misunderstandings."(!)
13. Coats, op. cit.
14. Op. cit., 236.



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