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The Lectures on Jurisprudence
and the Wealth of Nations

Salim Rashid



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Political Free Trade?: The Lectures on Jurisprudence
and the Wealth of Nations

Salim Rashid, Professor
Department of Economics

ABSTRACT

The arguments for Free-Trade presented in the earlier Lectures do not coincide with those provided in the Wealth of Nations. It is argued that these differences may tell us about the possible influence of the Physiocrats as well as Adam Smith's political leanings.

POLITICAL FREE TRADE?: THE LECTURES ON JURISPRUDENCE
AND THE WEALTH OF NATIONS

That the argument for Free Trade in the Lectures on Jurisprudence differs in significant ways from that in the Wealth of Nations is a point that appears to have escaped notice so far. Two different arguments for Free Trade are given in the Lectures and neither of them is quite the argument later provided in the Wealth of Nations. In view of the importance of Free Trade both in the history of economics as well as in Adam Smith's own conceptual scheme it is worth examining this difference more closely. After describing the axiomatic basis for Free-Trade, as developed primarily in Book IV of the Wealth of Nations, in the rest of the Introduction, section II goes on to quote from the Lectures on Jurisprudence to illustrate how the argument there differs from that in the Wealth of Nations. Section III considers the possible significance of the change in argument, which moves us away from the utilitarian framework of the "Mercantilist" literature towards the economic aspects of the natural-law tradition of moral philosophers, while Section IV considers how the change in argument may have influenced the perception of Smith as a "politician." The argument in the Wealth of Nations, it will be recalled, is based on three axioms.¹

- A1. Individuals wish to maximize wealth.
- A2. Individuals know better than governments how to maximize their own wealth.
- A3. National wealth is the sum of individual wealth.

A1 and A2 establish that a policy of non-interference will make individuals richest, while A3 makes this policy socially optimal also. So

far, the axioms establish that leaving a people free to trade is the best way to enrich them. To apply it to international trade, we need to add²

A4. In international affairs, nations are to be treated as individuals.

By means of A4 a conclusion which had been widely accepted for domestic trade was projected into international trade. The reader will recall how something very much like A4 is to be found in Dudley North's Discourse on Trade,³ and one is tempted to think of the influence of Hugo Grotius, Samuel Pufendorf and the school of distinguished seventeenth century theorists of international law. Francis Hutcheson was the most prominent teacher of these doctrines in Britain and Smith no doubt imbibed a great deal from them. Nonetheless, the case for free trade in the Lectures is not unfolded in axiomatic fashion, and does not reflect these moral philosophers.

Before turning to the economic arguments of the Lectures, it may be useful to provide some illustrations of the earlier use of personal relations in giving a basis for international relations. The following are taken from the systematic and scholarly exposition of Richard Zouche (1650)⁴

To community in time of peace belongs also ownership... and such ownership, in movable goods, is acquired generally by the same modes as among private persons.

There is due between different princes or peoples a right of civil convention, by virtue of which they bind themselves, as do private persons.

As lawsuits arise from wrongs and injuries between private persons, so wars arise between those [peoples] who have no judge. [emphasis added]

II. There are actually two different arguments for free trade in the Lectures. The first one develops the theme that wealth and abundance are the same and things that are abundant must be cheap. In the quotes that follow from the Lectures it is important to note that "natural price" as used by Smith has no necessary relationship with natural-law and is simply Smith's way of describing the remuneration necessary to attract and keep someone at any given job.⁵

Whatever policy tends to raise the market price above the natural one diminishes publick opulence and natural wealth of the state. For dearness and scarcity, abundance and cheapness, are we may say synonymous terms. For whatever abounds much will be sold to the inferior people, whereas what is scarce will be sold to those only of superior fortune, and the quantity will consequently be small. So far therefore as any thing is a convenience or necessary of life and tends to the happiness of mankind, so far is the dearness detrimental as it confines the necessary to a few and diminishes the happiness of the inferior sort. Whatever therefore raises or keeps up the price of them diminishes the opulence and happiness and ease of the country.

On the basis of this argument, monopolies, which raise market price above natural price, are seen to be detrimental to economic welfare.

The market price can also be below the natural price due to a bounty. In this case, more workers are attracted into the favored industry. Since this influx of workers means a loss of workers from other industries--an implicit use of "full employment" and explicit use of the wages-fund model--the value of aggregate produce is said to be lower. This part of the argument is developed more through example than through a chain of reasoning.⁶

The price of grass being raised, butcher's meat, in consequence of its dependence upon it, must be raised also. So that if the price of corn is diminished, the price of other commodities is necessarily

raised. The price of corn has indeed fallen from 42 to 35, but the price of hay has risen from 25 to near 50 shillings. As the price of hay has risen, horses are not so easily kept, and therefore the price of carriage has risen also. But whatever encreases the price of carriage diminishes plenty in the market. Upon the whole, therefore, it is by far the best police to leave things to their natural course, and allow no bounties, nor impose taxes on commodities.

The second argument starts with the premise that all voluntary exchange is mutually advantageous. It is embedded within a detailed attack on the principle that opulence consists of money.⁷

The bad idea of publick opulence consisting in money has been productive of other bad effects. Upon this principle most pernicious relations have been established. These species of commerce which drain us of our money are thought dissadvantageous and these which increase it beneficial; therefore the former are prohibited and the latter encouraged.

All commerce that is carried on betwixt any two countries must necessarily be advantageous to both. The very intention of commerce is to exchange your own commodities for others which you think will be more convenient for you. When two men trade between themselves it is undoubtedly for the advantage of both. The one has perhaps more of one species of commodities than he has occasion for, he therefore exchanges a certain quantity of it with the other, for another commodity that will be more useful to him. The other agrees to the bargain on the same account, and in this manner the mutual commerce is advantageous to both. The case is exactly the same betwixt any two nations. [emphasis added]

After this explicit identification of the principles guiding two-person and two-nation trade there follows an argument that, since rich men gain more than poor men when they trade, rich nations will gain more than poor nations when they trade.⁸

In general we may observe that these jealousies and prohibitions are most hurtfull to the richest nations, and that in proportion as a free commerce .

would be advantageous. When a rich man and a poor man deal with one another, both of them will increase their riches, if they deal prudently, but the rich man's stock will increase in a greater proportion than the poor man's. In like manner, when a rich and a poor nation engage in trade the rich nation will have the greatest advantage, and therefore the prohibition of this commerce is most hurtful to it of the two. All our trade with France is prohibited by the high duties imposed on every French commodity imported. It would however have been better police to encourage our trade with France. [emphasis added]

After some further description of the silliness of the system which identifies money and wealth, Smith concludes:⁹

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

The first argument provided in the lectures has a modern ring in that a demand-supply framework is (implicitly) used to evaluate the costs of economic policy; the second argument, on the other hand, has a definite axiomatic ring to it--all free exchange is mutually beneficial--but it does not quite tell us how to make the transition to the growth of national wealth. The first argument may be considered a "cost-benefit" or utilitarian approach, while the second one, although noticing the benefits of freedom, flows more easily from a natural rights framework. Before proceeding to discuss the possible implications of the change in argument, it is worth noting Keynes' view that there was a general presumption that the two methods would lead to the same conclusion.¹⁰

Suppose that by the workings of natural laws individuals pursuing their own interests with enlightenment in conditions of freedom always tend to promote the general interest at the same time! To the philosophical doctrine that government has no right to interfere, and the divine that it has not need to interfere, there is added a scientific proof that its interference is inexpedient. This is the third current of thought, just discoverable in Adam Smith who was already in the main to allow the public good to rest on "the natural effort of every individual to better his own condition," but not fully and self-consciously developed until the nineteenth century begins. The principle of laissez-faire had arrived to harmonise individualism and socialism, and to make at one Hume's egoism with the greatest good of the greatest number.

Nonetheless, the potential for a conflict was clearly stated by Bentham.¹¹

I have not . . . any horror, sentimental or anarchical, of the hand of government. I leave it to Adam Smith, and the champions of the rights of man (for confusion of ideas will jumble together the best subjects and the worst citizens upon the same ground) to talk of invasions of natural liberty, and to give as a special argument against this or that law, an argument the effect of which would be to put a negative upon all the laws.

III. Why did Smith change the nature of the arguments for free trade in the period between the Lectures and the Wealth of Nations? Let us first note the internal weakness of the argument based on differences in market and natural price. The link between cheapness and abundance is flawless and the argument against having market prices higher than natural prices a valid conclusion therefrom. However, the claim that bounties actually hurt is not clearly developed. Instead of focussing upon the inefficiency of taxing people to pay for the bounty, Smith goes on to talk about grass and fodder and so on. The inconclusiveness of the argument probably struck him during the composition of the Wealth of Nations. Secondly; it should be noted that the utilitarian approach to free trade did not entirely disappear from the Wealth of Nations. The analysis of scarcities in Book IV provides a curious example where a conclusion as strong as that of a natural rights argument is drawn from a "cost benefit" analysis.¹² Thirdly, it has been noted that Smith's price theory in the Lectures, but not in the Wealth of Nations, is based upon labor as the only cost of production.¹³ Could the move to incorporate non-labor costs have convinced Smith that the contrast between market price and natural price was inadequate for his purposes? By rejecting an argument based on prices and taking up one based on the benefits of freedom, Smith is moving towards the Pufendorf-Hutcheson legacy over time.¹⁴ As the cost-benefit approach can lead to a defense of intervention--witness Bentham's Defense of a Maximum--there is the possibility that Smith wished to minimize any exceptions to free trade.

If it is indeed true that Smith altered one of his main arguments against government interference between the Lectures and the Wealth of Nations, could the change have had something to do with the Physiocrats? This is a connection that has been raised and dismissed often. In past discussions of Physiocratic influence, such as that of Edwin Cannan, most attention has been drawn to the insertion of a theory of distribution in the Wealth of Nations. Perhaps this is due to Dugald Stewart's claim, in his Account of Smith's life, that Smith was in possession of his principal free-trade results by 1755. However, in the quote accompanying this claim, there are only results, such as the beneficence of free trade, but no proofs.¹⁵

Little else is required to carry a state to the highest degree of affluence 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 . . .

Smith's membership in a society which awarded premiums, the Edinburgh Society, provides some circumstantial grounds for believing that Smith was not quite seen as an ardent supporter of "Free-Trade" until after his professorial days. The prevailing contrary impression is probably due to John Rae's claim that

In his [Smith's] lectures on jurisprudence and politics he had taught the doctrine of free trade from the first, and not the least remarkable result of his thirteen years work in Glasgow was that before he left he had practically converted that city to his views

A careful consideration of the self-interest of the (protected) trade of Glasgow merchants would lead us to think otherwise. While this claim of Rae's has been repeated by various scholars, Rae himself contradicts it 30 pages later.¹⁶

those Glasgow merchants . . . are not necessarily free-traders because they want free import of raw materials. That was advocated as strongly from the old mercantilist standpoint as it is now from the free-trade one.

How are we to tell whether Smith was able to justify his conclusion in the quote provided by Dugald Stewart? The existence of a different argument in the Lectures suggests that Smith may have begun from a natural rights basis in the 1750s, abandoned it for about a decade, and then returned to it again. Whether or not the return was stimulated by the Physiocrats we do not know. When Stewart first discussed Smith's priority on this issue, in 1793, he was convinced of Smith's independent discovery of free trade. The Lectures on Political Economy, delivered by Stewart between 1798 and 1810, are not as clear on this point and in these lectures Stewart even suggests that Smith was a popular version of Physiocratic ideas. There have been similar "underground" comments on the Physiocrat-Smith connection in the literature, but few detailed arguments. Mogens Boserup writes, in his book of readings, that he has chosen extracts from Smith in order to illustrate the fact that Smith "may be understood as a successor of the Physiocratic school." Hans Brems makes a more pointed remark, "Much of what Smith had to say had been said before--but in French. Academic etiquette of his day demanded no acknowledgements, and he offered none." In view of the fact that the early perception of Smith

in Germany was as a Physiocrat, this is perhaps an issue worth reconsideration.¹⁷

IV. The attraction of the approach eventually adopted in the Wealth of Nations is its close link with natural rights arguments and political radicalism. The fact that Smith had placed human labor as the primary agent for creating wealth no doubt helped this link. Smith's sympathy for laborers and farm workers and his hostility towards masters and landlords has long been noted. Combined with the general emphasis on liberty (one recalls the radical stress on liberty given by his old teacher, Hutcheson), the ideas would appear as a powerful dissolvent of traditional ideas, especially in Europe, a fact appreciated by such commentators as Charles Ganilh and Adolphe Blanqui¹⁸

Wealth, produced by labour--restores man to his primitive dignity, through the sentiment of his independence, through his obedience to laws common to all, and his sharing in the benefits of society in proportion to his services (Ganilh)

there were no longer any sterile occupations, since every body was capable of giving things an exchange value, by means of labor. What an encouragement to men ill-favored by fortune and to those who did not expect the boon of an inheritance! (Blanqui)

It is a noticeable feature of Smith's analysis that he takes the possibility of harmful effects due to a violation of natural rights to be sufficient grounds for believing that harm actually does occur. The Laws of Settlement are a case in point.

The link between natural-rights economics and political radicalism would have been evident to contemporaries and it perhaps explains the fact that the first Parliamentary reference to the Wealth of Nations was made by someone ignorant of economics, by Charles James Fox, a reference that helped to bolster sales considerably.¹⁹ Subsequently, we find some early favorable references to Smith in William Godwin and

Tom Paine, while one of Smith's earliest admiring editors, Jeremiah Joyce, also provides evidence of being a political radical by his sharp criticism of that instrument of tyranny--the national debt. Another admirer of Adam Smith, Thomas Archard, wrote a pamphlet defending the suppression of the French Nobility. Lord Lauderdale, later a sharp critic, was a radical in his youth, when he is said to have "worshipped" Smith. The point is further strengthened by Lord Cockburn's comment that Smith's death was ignored by all except the political youth of Scotland. In 1793 the Marquis of Lansdowne even went so far as to claim that the ideas of the French Revolution were not new but had in fact been propounded earlier by such respectable British authors as Adam Smith and Dean Tucker. Dugald Stewart stated that people who once associated with Adam Smith, felt embarrassed about any association with "liberal" principles in the wake of the French Revolution. John Rae has provided a perceptive statement of the political impact of Free Trade ideas in the 1790s.²⁰

By French principles the public understood, it is true, much more than the abolition of all commercial and agrarian privilege which was advocated by Smith, but in their recoil they made no fine distinctions, and they naturally felt their prejudices strongly confirmed when they found men like the Marquis of Lansdowne, who were believers in the so-called French principles and believers at the same time in the principles of Adam Smith, declaring that the two things were substantially the same.

Nor should this entirely surprise us. That Adam Smith had a partiality for radicalism is evidenced by his admiration for both Rousseau and Voltaire,²¹

Voltaire set himself to correct the vices and follies of mankind by laughing at them, and sometimes by treating them with severity, but Rousseau conducts the reader to reason and truth by the attractions of sentiment and the force of conviction. His "Social Compact" will one day avenge all the persecutions he suffered.

James Beattie criticized David Hume's skepticism in his Essay on Truth and later wrote to Lady Wortley Montagu that even though he had known Smith well once, after the publication of the Essay on Truth--"nous avons changez tout cela."²²

The early supporters of Free Trade in English economic thought were almost certainly motivated by political considerations--in that free trade with France, the traditional enemy, was a part of the Tory agenda. With the rise of Sir Robert Walpole, however, the Whigs began to cautiously adopt the same "Tory" attitudes towards trade with France. Philosophically speaking, the attitudes of the natural rights school were far more consonant with the writers of Cato's Letters or the Commonwealthmen surrounding Lord Molesworth. The attitudes that encouraged the philosophy of laissez-faire had considerable roots in liberal religious and political thought, as noted by Jacob Viner and M. L. Myers.²³ Ashley's influential view that Smith's contribution lay in making a Tory doctrine, Free Trade, acceptable to Whigs is liable to misinterpretation unless one recognizes that the underlying reasons for the same policy had changed considerably. It is no accident that both John Locke and, a half century later, Bishop Law, embody the same complex of political and theological notions.²⁴ When Francis Horner refused to make public his criticisms of the Wealth of Nations because the good effects of that book were yet to be spread further he may

well, as a staunchly liberal Whig, have had the politico-economic impact in mind. The attitude is more explicit in John Stuart Mill's stated reason for adhering to laissez-faire in 1833.²⁵

In the meantime that principle, like other negative ones, has work to do yet, work mainly of a destroying kind, and I am glad to think it has strength enough to finish that after which it must soon expire; peace be with its ashes when it does expire, for I doubt much if it will reach the resurrection.

Insofar as the movement towards a philosophic basis for free trade had socio-political origins, Smith supports the thesis of Leo Rogin that "new systems first emerge in the guise of arguments in the context of social reform."²⁶

Finally, it is worth reiterating that Smith is by no means so strongly a free trader in his Lectures, as in the Wealth of Nations. Emphasis does a lot in an argument, and the emphasis on free trade in the Lectures, relative to all the other matter there, even within the economic sections alone, is not as strong as it subsequently became in the Wealth of Nations. If we add to this the fact, already noted by the editors of the Lectures, that the Lectures take a more positive view of government, as well as the fact that the Lectures accept some common beliefs, such as the backward bending supply curve of labor and the validity of "balance-of-employment" arguments, it would appear that Smith's classroom lectures were not as revolutionary when delivered as they appeared to be with hindsight.²⁷ Smith's friends were not engaging in repetitious praise when they greeted the Wealth of Nations as a system, as though this were an aspect of Smith hitherto undeveloped.²⁸ They knew well a professor of philosophical history,

whose economic interpretations gave them considerable pride, but the author of an axiomatic basis for free-trade was a revelation.²⁹

Notes

¹W. Mitchell, Types of Economic Theory (New York 1967), I, 60-64. This interpretation is repeated by several authors, e.g., A. K. Chaudhuri, The Wealth of Nations (Calcutta: World Press, 1967). Some early critics noted clearly the nature of Smith's axioms, e.g., W. J. Mickle in his Introduction to the Lusiad, as described by Jacob Viner in his Introduction to John Rae, Life of Adam Smith (New York: Kelley, 1965), 73.

²I have not been able to find the explicit use of A4 (below) in the literature. Its effect depends upon an ambiguity between the wealth of all nations and that of individual nations. "International law is on the whole an analogical extension of the laws of justice, much as in Grotius," writes Knud Haakanssen, "What Might Properly Be Called Natural Jurisprudence," in The Origins and Nature of the Scottish Enlightenment, ed. R. H. Campbell and A. S. Skinner (John Donald, Edinburgh, 1982), 208.

³Dudley North, Discourses upon Trade (London: 1691), reprinted (1971) by Johnson Reprint Corporation. The Preface claims to quote North on this point and North himself expresses such sentiments on p. 14.

⁴R. Zouche, An Exposition ... of Law between Nations trans. J. L. Brierly (Baltimore: Lord Baltimore Press, 1911), 8, 23, 27. For Pufendorf, see De Officio Hominis... (New York: Oxford University Press, 1927), 108.

⁵Lectures on Jurisprudence ed. R. L. Meek, D. D. Raphael and P. G. Stein (Oxford: O. U. P. 1978), 362. As I have been unable to detect any significant differences between the two extant accounts of the Lectures, I have used them interchangeably.

There is no matter directly bearing on my topic in R. F. Teichgraber, Free Trade and Moral Philosophy (Durham: Duke U. P., 1986), or in Donald Winch, Adam Smith's Politics (Cambridge, 1983), even though we are all agreed on giving Smith's political views greater prominence.

⁶Op. cit., 499.

⁷Op. cit., 511.

⁸Op. cit., 512.

⁹Op. cit., 514.

¹⁰As quoted by R. Kanth, Political Economy and Laissez Faire (New Jersey 1986), 25. This book provides a welcome change in its reassertion of the politics in Political Economy.

¹¹W. Stark, ed. Jeremy Bentham's Economic Writings (London 1954), vol. 3, 257-58.

¹²Smith's arguments were applied, with some vehemence, by Edmund Burke, Thoughts and Details on the Scarcity (London 1795).

The tension between the "natural law" and the "utilitarian" arguments continued throughout classical economics. Bentham, for example, first refined the "natural law" argument and then the "utilitarian" one, whereas J. S. Mill did the reverse. E. F. Paul, Moral Revolution and Economic Science (Greenwood Press, 1979). P. Schwartz, The New Political Economy of J. S. Mill (Duke U.P., 1972).

¹³M. Bowley, Studies in the History of Economic Thought before 1870 (London: MacMillan, 1973), 108, 121.

¹⁴That the Lectures clearly demonstrate Smith's philosophical sources is also emphasized in E. Pesciarelli, "On Adam Smith's Lectures on Jurisprudence," Scottish Journal of Political Economy (Feb. 1986), 33, 1, 74-85.

¹⁵E. Cannan, introduction to the Wealth of Nations (New York, 1397), xxxix. Collected Works of Dugald Stewart (Edinburgh 1872), X, 68.

¹⁶John Rae, Adam Smith, op. cit., 119, 60, 92.

¹⁷Collected Works of Dugald Stewart (Edinburgh 1858-1873), VIII, 306. M. Boserup, Deres Egne Ord (Copenhagen). H. Brems, "Frequently Wrong, but Rarely in Doubt," Challenge (Nov.-Dec., 1987), 55. I am grateful to Hans Brems for the translation of Boserup's Danish original. K. Tribe, Governing Economy (Cambridge University Press, 1988), chs. 6 and 7.

¹⁸Much of the evidence on this point has been gathered in Eli Ginzberg, The House of Adam Smith (New York 1930).

Charles Ganilh, An Inquiry into the Various Systems of Political Economy (New York; Kelley reprint; 1966), 46.

Adolphi Blanqui, History of Political Economy in Europe (New York, 1880), 386.

¹⁹John Rae wishes to minimize the impact of the reference to the Wealth of Nations by Fox, but Homer Vanderblue shows that Smith's publisher did take the impact of Fox's favorable reference quite seriously. Fox himself was otherwise ignorant of economics. John Rae, Adam Smith (London: 1895), 289. Homer Vanderblue, Adam Smith and the Wealth of Nations (Boston, 1936), 5. "It was far from reformers' minds to make government stronger and more centralized. Most, like Tom Paine and William Godwin, thought there was a surfeit of government already and aimed to fumigate the state of its leeches." Roy Porter, English Society in the Eighteenth Century (London, 1982).

²⁰Rae, op. cit., 292.

²¹op. cit., 372. Smith is said to have spoken of both Rousseau and Voltaire "with a kind of religious respect."

²²Beattie's letter is in the Huntington Library, California. For Smith's continuing serviceability to radical causes see W. Stafford, Socialism, Radicalism and Nostalgia (Cambridge; C.U.P. 1987) and N. W. Thompson, The People's Science (Cambridge; C.U.P., 1984). Michael Perelman has gathered together a fair amount of evidence showing how resentful Smith was at having to be beholden to his social superiors. "Adam Smith and Social Relations," presented at the History of Economics Society meetings (Boston 1987). He has also noted Smith's radicalism was more petit bourgeois than working-class.

²³W. J. Ashley, "The Tory Origin of Free Trade Policy," Quarterly Journal of Economics (July 1897). Ashley's views are repeated by E. R. A. Seligman in his Introduction to The Wealth of Nations (New York, 1910). P. Langford, The Excise Crisis (Oxford: 1975); C. Robbins, The Eighteenth Century Common Wealth Man (Harvard: 1959); M. L. Myers, The Soul of Modern Economic Man (Chicago: 1983); J. Clarke, English Society 1660-1832 (Cambridge 1985).

²⁴"By the end of the [eighteenth] century there was often to be found the combination of a thirst for knowledge with a critical and realistic attitude to politics and religion," J. H. Plumb, "Reason and Unreason in the Eighteenth Century," in Some Aspects of Eighteenth Century England ed M.E. Novak (UCLA 1971), 15. It is also of interest to note how some well-known industrialists, such as William Strutt, were strong radicals. Margaret C. Jacob, "Scientific Culture in the Early English Enlightenment: Mechanisms, Industry and Gentlemanly Facts," in A. C. Kors and P. Korshin, eds., Anticipations of the Enlightenment in England, France and Germany (Univ. of Penn., Philadelphia, 1987), 134-164.

²⁵As quoted by D. H., MacGregor, Economic Thought and Policy (Oxford 1949), 70.

²⁶L. Rogin, The Meaning and Validity of Economic Theory (London 1950), xiii. This point of view has also been upheld by many scholars in dealing with social philosophies, e.g., M. Cowling, "The Use of Political Philosophy in Mill, Green and Bentham," Historical Studies, 5, (London 1965), 141-152.

²⁷The treatment of Banking is the only exception I can think of. Perhaps the Scottish banking problems of the early 1760's are responsible for Smith's caution on this issue.

Lectures, op. cit., 535 and 540.

²⁸R. H. Campbell and A. S. Skinner, Adam Smith (New York: St. Martins, 1982).

²⁹The example of John Millar serves to strengthen one part and weaken another part of the thesis of this paper. Millar's reaction to the program of free trade in the Wealth of Nations clearly shows that he found Smith's espousal of this program to be a novelty.

". . . notwithstanding all the pains he has taken, there are many of his positions which I find great difficulty in admitting--and somewhere I am not sure in what latitude he means to establish them. In particular, his great leading opinion concerning the unbounded freedom of trade. I have but a vague notion how far it is true, or how far he meant to say it ought to be carried." As quoted by T. Hutchison, Before Adam Smith (London, 1988), 412.

On the other hand, Millar himself was the strongest advocate of liberal politics in the Scottish Enlightenment.

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