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ADAM SMITH'S LIFE AND VISION

The historian H.A.L. Fisher summarized the life and influence of Adam Smith as follows. 'A Scot by birth and descent and mixing with the skippers and merchants of Glasgow, where he was long a Professor, he caught the temper of a great seaport struggling against fiscal fetters. His **Wealth of Nations** (1776), the Bible of Economic Science, states in powerful and measured terms the case for Freedom of Trade, and has long governed British policy. Pitt the younger, Huskisson, Peel, Gladstone, Asquith were his pupils. The soul of modesty.'[1]

Adam Smith was born in 1723 in Kirkcaldy on the Firth of Forth in Scotland, the son of a Judge Advocate and Comptroller of Customs in the port. His father died just before he was born and he was brought up by his widowed mother. He went to Kirkcaldy grammar school and then in 1737 to Glasgow University where he obtained an M.A. in 1740. In that year he went to Balliol College, Oxford, remaining there for six years. After returning to Scotland he spent two years with his mother and then lived in Edinburgh from 1748 to 1751 where he gave public lectures on literature and jurisprudence. It was at this time that he began what was to become a deep friendship with the philosopher David Hume. Smith was elected Professor of Logic and then Professor of Moral Philosophy at the University of Glasgow where he lived from 1751 to 1763. He published his **Theory of Moral Sentiments** in 1759.

In 1764 Smith went to France as tutor of the Duke of Buccleugh and remained there until 1766. He met many of the greatest philosophers and political economists. After a brief stay in London he returned to Kirkcaldy in 1767 and remained there almost without a break until April 1773, working on drafts of **The Wealth of Nations**. He then moved to London and spent a further two and a half years revising the manuscript which was published in 1776 to great acclaim. From 1778 until his death on July 17, 1790 he lived mainly in Edinburgh, employed as a Commissioner of Customs and the Salt Duty. Smith never married and his lifelong companions were his mother, who died in 1787 and his cousin Jane who died a year later.

In was during the years in Glasgow as a teacher and also an effective and conscientious administrator, that Smith laid the foundations for his great works. His experience in England had given him a geographical contrast between wealthy England and relatively poor Scotland, but his experience in Kirkcaldy and Glasgow between the 1730s and 1760s gave him an equally important temporal contrast. This was a perfect place from which to witness two dramatic changes. The first was the transformation of the political system. Up to 1745 the older world of the clan system and Catholicism still remained strong in the Highlands as a living contrast to the religious, political and social system of lowland Scotland and England. Then, while Smith was in Oxford, occurred the last attempt to re-impose this alternative world with the 1745 uprising. When Smith returned in 1746 it was to a

[1] On a printed postcard at the front of the King's College, Cambridge copy of Fay, **Adam Smith**

country where the clan system was being systematically crushed in the aftermath to Culloden. Smith was thus living on the border of two civilizations and in his formative years watched one of them decisively defeat the other. His unusual insight into the deepest structures of commercial capitalism came out of this experience.

The development of Glasgow itself re-enforced this sense of a great shift. Part of the sense of living in two worlds is captured by W.R. Scott when he describes the Glasgow to which Smith returned as Professor of Moral Philosophy. 'The town was his laboratory. In the middle of the eighteenth century it was a remarkable blend of the old and the new. The history of the last hundred years had left enduring traces which were being modified slowly, and sometimes painfully, by a new spirit and by new conditions.'[2] The rapid development of Glasgow in this period is excellently described by Rae, for 'Glasgow had already begun its transition from the small provincial to the great commercial capital, and was therefore at a stage of development of special value to the philosophical observer. Though still only a quiet but picturesque old place, nestling about the Cathedral and the College and two fine but sleepy streets, in which carriers built their haystacks out before their door, it was carrying on a trade which was even then cosmopolitan. The ships of Glasgow were in all the waters of the world, and its merchants had won the lead in at least one important branch of commerce, the West India tobacco trade, and were founding fresh industries every year with the greatest possible enterprise.'[3]

Glasgow was a place where new worlds were being discovered and new methods tried. Smith spent a great deal of time observing and talking to the merchants and made many close friends among them, in particular, Andrew Cochrane, later Provost of Glasgow and described by Smollet as "'one of the first sages of the Scottish Kingdom.'"[4] Cochrane was clearly a remarkable man 'and Dr. Carlyle tells that "Dr. Smith acknowledged his obligations to this gentleman's information when he was collecting materials for his **Wealth of Nations**...' Dr. Carlyle informs us, more-over, that Cochrane founded a weekly club in the "forties" - a political economy club - of which "the express design was to inquire into the nature and principles of trade in all its branches, and to communicate knowledge and ideas on that subject to each other," and that Smith became a member of this club after coming to reside in Glasgow.'[5]

Yet Adam Smith would not just have learnt about trade and merchant activities from his Glasgow friends, for there was also rapid industrial development. These new entrepreneurs 'founded the Smithfield ironworks, and imported iron from Russia and Sweden to make hoes and spades for the negroes of Maryland. They founded the Glasgow tannery in 1742, which Pennant thought an amazing sight, and where they employed 300 men making saddles and shoes for the plantations. They opened the Pollokshaws linen printfield in 1742, copper and tin works in 1747, the Delffield pottery in 1748.

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[2] Scott, **Smith**, 78

[3] Rae, **Smith**, 88-9

[4] Rae, **Smith**, 91

[5] Rae, **Smith**, 90-1

They began to manufacture carpets and crape in 1759, silk in 1759, and leather gloves in 1763. They opened the first Glasgow bank - the Ship - in 1750, and the second - the Arms - in 1752. They first began to improve the navigation of the Clyde by the Act of 1759; they built a dry dock at their harbour of Port Glasgow in 1762; while in 1768 they deepened the Clyde up to the city, and began (for this also was mainly their work) the canal to the Forth for their trade with the Baltic. It was obvious, therefore, that this was a period of unique commercial enterprise and expansion.'[6]

Thus Adam Smith could see the world changing before his eyes and the affluence he had seen at Oxford spreading rapidly into Scotland. The shock for Smith was made more dramatic in that the very ten years when he had been absent from Glasgow, 1740-1750, had witnessed 'a very great change in the appearance of the district. Looking down from the high ground near the University, recently completed mansions of merchants and others in the course of building came into view.'[7] He lived in a boom-town and watched a feudal, Calvinist, world dissolving into a commercial capitalist one. **The Wealth of Nations** is in many ways an almost autobiographical attempt to describe and explain how and why this was happening around him.

He was also living through a kind of experimental test of one of his major theories, namely that free trade and minimal governmental interference would allow the 'natural tendency' for wealth to increase. 'When the eighteenth century began, Scotland was excluded, by a series of Acts of the English Legislature, from the Colonial trade. After the Union [in 1723], this restraint was removed, and, by every test, the advance in prosperity, particularly in the West, was remarkable, and even spectacular. Here, then, it seemed that there was something approaching a valid experiment for the verification of an hypothesis, and confirming it up to the hilt.'[8]

Smith was living just before the great textile and steam power boom of the later eighteenth century, or the growth of the heavy industries including building of steam ships that would give Glasgow its greatest reputation. This helps to explain certain absences in his work, in particular the omission of the importance of the steam engine. It is important to note this for another advantage of living in Glasgow and working in the University was that it was the home of several of those who would provide the scientific and technological basis for the industrial revolution. The sort of developments which were happening along the corridor from Smith, and undertaken by friends of his, are described by Rae. 'Only a few years before Smith's arrival they had recognised the new claims of science by establishing a chemical laboratory, in which during Smith's residence the celebrated Dr. Black was working out his discovery of latent heat. They gave a workshop in the College to James Watt in 1756, and made him mathematical instrument maker to the University, when the trade corporations of Glasgow refused to allow him to open a workshop in the city; and it was in that very workshop and at this very period that a Newcomen's engine he repaired set his thoughts revolving till the memorable morning in 1764 when the idea of the separate condenser leapt to his mind as he was strolling past the washhouse on Glasgow Green. They had at the same time in another corner of the College opened a printing office for the better

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[6]Rae, **Smith**, 89

[7]Scott, **Smith**, 81

[8]Scott, **Smith**, 114

advancement of that art, and were encouraging the University printer, the famous Robert Foulis, to print those Homers and Horaces by which he more than rivalled the Elzevirs and Etiennes of the past.'[9]

It is impossible to assess exactly what effect these exciting years in Glasgow had on Smith, but as we shall see, the surviving lecture notes suggest that he had worked out many of his theories to explain the central structural features of a modern commercial economy by 1763. As Stewart observed, 'His long residence in one of the most enlightened mercantile towns in this island, and the habits of intimacy in which he lived with the most respectable of its inhabitants, afforded him an opportunity of deriving what commercial information he stood in need of from the best sources.'[10] And at a deeper level, the contrasts which he could see in time and space, and the sheer rapidity of change, may be behind his great shift to a four-stage model of social development which Meek and others see as one of his greatest contributions. As Meek himself suggests, it seems likely that it was 'the rapidity of contemporary economic advance' and the ease of contrasts between more and less advanced parts of Scotland and England, that gave him the clue. 'If changes in the mode of subsistence were playing such an important and "progressive" role in the development of contemporary society, it seemed a fair bet that they must also have done so in that of past society.'[11]

The situation in Glasgow and around Kirkcaldy was all the more impressive in comparison with the Highlands. As Ross points out 'Britain of the era of the '45 rising provided Smith with a contrast between the Highlands of Scotland at the pastoral stage with a warrior society and patriarchal leaders, and the unwarlike Lowlands, similar to England, organized for agriculture and commerce, and having to rely on a professional army for defence.'[12] Smith developed the theory that discovery and scientific advancement came out of the emotions of 'wonder' and 'surprise', and there was plenty to be amazed at in the Scotland of the 1750s.

Adam Smith had experienced the contrast between a prosperous commercial capitalism in England, and his own poorer Scottish background. This was one precipitant to thought. A second was the contrast within Europe. Early in 1764 having resigned his Professorship, he went to France as tutor of the Duke of Buccleuch, stepson and ward of Charles Townsend. He spent eighteen months in Toulouse and then 'About Christmas 1765, they returned to Paris, and remained there till October following. The society in which Mr. Smith spent those ten months, may be conceived from the advantages he enjoyed, in consequence of the recommendations of Mr. Hume.' [13] Smith also visited Geneva where he made the acquaintance of Voltaire. The correspondence and conversations with Turgot and Quesnai were to be particularly important in his later thought.

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[9]Rae, **Smith**, 71

[10] Stewart, **Works**, X, 42

[11]Meek, **Ignoble**, 128

[12]Ross, **Smith**, 83

[13]Stewart, **Works**, X, 45

The period in Paris, is described by Rae. 'Smith went more into society in the few months he resided in Paris that at any other period of his life. He was a regular guest in almost all the famous literary salons of that time... Our information about his doings is of course meagre, but there is one week in July 1766 in which we happen to have his name mentioned frequently in the course of the correspondence between Hume and his Paris friends regarding a quarrel with Rousseau, and during that week Smith was on the 21st at Mademoiselle l'Espinasse's, on the 25th at Comtesse de Boufflers', and on the 27th at Baron d'Holbach's, where he had some conversation with Turgot. He was a constant visitor at Madame Riccoboni the novelist's. He attended the meetings of the new economist sect in the apartments of Dr. Quesnay, and though the economic dinners of the elder Mirabeau, the "Friend of Men", were not begun for a year after, he no doubt visited the Marquis, as we know he visited other members of the fraternity. He went to Compiegne when the Court removed to Compiegne, made frequent excursions to interesting places within reach, and is always seen with troops of friends about him.'[14]

It is clear that Smith was starting to develop the ideas in his **Lectures on Jurisprudence** into a book when he was in France. 'The Abbe [Morellet] was a metaphysician as well as an economist, but, according to his account of his conversations with Smith, they seem to have discussed mainly economic subjects ' "the theory of commerce," he says, "banking, public credit, and various points in the great work which Smith was then meditating," i.e. the **Wealth of Nations**. This book had therefore by that time taken shape so far that the author made his Paris friends aware of his occupations upon it, and discussed with them definite points in the scheme of doctrine he was unfolding.'[15]

Yet it was not just his conversations in Paris that were important. The time in Toulouse may have been equally important and his recent biographer Ross describes how 'It can be argued, however, that for Smith residence in Toulouse yielded an important stock of facts, additional to those collected in Glasgow, about the economic issues that had seized his imagination. These included the division of labour, extent and fluctuation of market, agricultural and commercial systems, the role of transportation in creating wealth, and the struggle for natural liberty in the economic domain. Thus, a walk from the older part of the city to the **quartier parlementaire** to the south provided a lesson in economic history.'[16]

After returning to England in 1766 Smith was until early in 1767 an advisor to Charles Townsend, then chancellor of the exchequer, who was preparing his fatal proposal for taxing the American colonies. It is not difficult to see how that experience coloured much of Smith's later writing on taxation. More generally, his spell outside the University was undoubtedly beneficial. The likely effects are summarized by Stewart. 'He had hitherto lived chiefly within the walls of a University, and although to a mind like his, the observation of human nature on the smallest scale is sufficient to convey a tolerably just conception of what passes on the great theatre of the world, yet it is not to be doubted that the variety of scenes

[14]Rae, **Smith**, 197

[15]Rae, **Smith**, 201

[16]Ross, **Smith**, 203

through which he afterwards passed, must have enriched his mind with many new ideas, and corrected many of those misapprehensions of life and manners which the best descriptions of them can scarcely fail to convey.'[17]

He returned to Kirkcaldy in May 1767. He had a large stock of data, and a number of theories which he had developed in his lectures. His breadth of reading and personal experience was not limited to Europe. The Americas were of great interest to the Glasgow merchants, but Asia and Africa were also now increasingly attractive. From Montesquieu he had learnt that no theory of how the modern world was developing could omit a consideration of East Asia and particularly China, about which a great deal was being learnt, especially in France. But how to synthesize this immense inflow of rich data and theory?

He thought and wrote for six years and then went to London in April 1773 where he spent another two and a half years revising his manuscript. As Rae states, 'Much of the book as we know it must have been written in London.'[18] He had thought when he arrived in London that the book was almost completed, 'But the researches the author now made in London must have been much more important than he expected, and have occasioned extensive alterations and additions, so that Hume, in congratulating him on the eventual appearance of the work in 1776, wrote, "It is probably much improved by your last abode in London." Whole chapters seem to have been put through the forge afresh; and on some of them the author has tool-marked the date of his handiwork himself.'[19] In particular much of the material on America and the colonial experience was added at this stage. As Rae puts it, "'We may go further and say that the American Colonies constitute the experimental evidence of the essential truth of the book, without which many of its leading positions had been little more than theory." It ought of course to be borne in mind that Smith had been in the constant habit of hearing much about the American Colonies and their affairs during his thirteen years in Glasgow from the intelligent merchants and returned planters of that city.'[20]

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In order to understand the changing world around him, Smith refined a number of the theoretical methods which Montesquieu, David Hume and others were advocating. It is arguable that Smith self-consciously set out to apply the Newtonian method to society and history and that he did this with a more than average understanding of what that method was. One part of his debt lay in his use of mechanical analogies in his analysis, which allowed him to investigate the whole of the emerging capitalist and commercial economy and society as if it were some immensely complex mechanism.

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[17]Stewart, **Works**, X, 43

[18]Rae, **Smith**, 264

[19]Rae, **Smith**, 264

[20]Rae, **Smith**, 265-6

Smith used the metaphor of a machine in most of the branches of his analysis. In his early work on the origin of human languages he had likened their structure and progress to that of machines. 'Smith turns to the machine, as he often does seeking explanatory help when describing systems, to provide an analogy for the "progress of language". Original languages have the vast complexity of primitive machines, and both become simpler when gradually the "different parts are more connected and supplied by one another."'[21] Likewise, he applied the idea in relation to the development of scientific or artistic systems or paradigms. 'Systems in many respects resemble machines. A machine is a little system, created to perform, as well as to connect together, in reality, those different movements and effects which the artist has occasion for. A system is an imaginary machine invented to connect together in the fancy those different movements and effects which are already in reality performed.'[22] Or again, society as a whole could be considered as a vast machine. 'Human society, when we contemplate it in a certain abstract and philosophical light, appears like a great, an immense machine, whose regular and harmonious movements produce a thousand agreeable effects.'[23] Finally, the economy could be regarded as a vast machine. He would have been helped in seeing this by the French physiocrats.[24] The analogy gave him confidence that he was investigating an infinitely complex set of inter-relations, a structure of some sort. Behind the visible world there lay a set of moving parts, obeying certain rules and principles. This had given Newton his inspiration and Smith's critics explicitly saw Smith as attempting to discover the 'laws of motion', not of the physical, but of the social and intellectual universe. It was an analytical system which, as Governor Pownall described it, was 'an institute of the Principia **of those laws of motion**, by which the operations of the community are directed and regulated, and by which they should be examined.'[25]

Above all, it replaced God by an invisible hand, the ghost in the machine, to use Koestler's phrase. It incorporated the important idea of the law of unintended consequences into a philosophy which would provide an underpinning for the new world. Meek captures some of this function when he writes that 'the notion that **historical** processes were autonomous but law-governed led to (or was closely associated with) the notion that **economic** processes in a commercial society possessed the same characteristics. The economic "machine", it was postulated, like the historical "machine", worked unconsciously but in an orderly and predictable manner to produce results which could be said to be "subject to law" and which therefore constituted a perfectly proper field of enquiry for the social scientist...The historical machine automatically produced "progress", which was proclaimed to be (up to a point) a good thing; the economic machine automatically maximised the rate of growth of the national

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[21]Ross, **Smith**, 90

[22]Smith, **Philosophical**, 66

[23]Smith, **Moral**, 463-4

[24]See Ross, **Smith**, 216

[25]Quoted in Campbell and Skinner, **Smith**, 171

product, which was also proclaimed to be (up to a point) a good thing.'[26] Thus the fact that social, linguistic and economic systems were all like machines, which humans both constructed and improved, made them analysable and guaranteed their 'progress'. And all this happened not through design, but by accident, through unintended consequences. If the world was like a machine, the individuals in it were cogs who, unbeknown to them, were playing an important part in its progress. Thus 'men in pursuing their own objectives seemed frequently to contribute to outcomes which they did not intend or foresee. This doctrine is sometimes described as the law of "unintended social outcomes" but is more usually cited, in Smith's case, as the doctrine of the "invisible hand" - as in the statement that man is "led by an invisible hand to promote and end which was no part of his intention."'[27]

Yet even with this confidence that the goal was to work out the laws of motion of an immense machine which lay behind language, thought systems, society and economy, Smith was still faced with the daunting task of devising a method of finding out the hidden principles which drove it. Here again he developed an approach which was in the Newtonian tradition. It appears that Smith first encountered Newton's method in his 'third or **magistrand** year at Glasgow', that is in 1739-40, when he was about sixteen. The outline of the course then was: "'[the scholars] are taught two Hours at least by the Professor of **Natural Philosophy**, as that science is improved by **Sir Isaac Newton**, and attend two Hours in the Week a Course of Experiments. Some continue to attend Lessons of **Mathematicks**, or of the Lessons of the **Laws of Nature and Nations**, or of **Greek**, or **Latin**. (Chamberlayne, 1737: II.iii.13)."'[28] When he returned from Oxford he would have had available the outline of that system published by the recent Professor of Mathematics at Edinburgh, Colin Maclaurin. In his **Account of Sir Isaac Newton's Philosophical Discoveries** (1748) Maclaurin noted that the scientist 'should begin with phenomena, or effects, and from them investigate the powers or causes that operate in nature; that from particular causes we should proceed to the more general ones, till the argument ends in the most general: this is the method of **analysis**. Being once possessed of these causes, we should then descend in a contrary order, and from them, as established principles, explain all the phenomena that are their consequences, and prove our explications; and this is the **synthesis**. It is evident that, as in mathematics, so in natural philosophy, the investigation of difficult things by the method of **analysis**, ought ever to precede the method of composition, or the synthesis. For in any other way we can never be sure that we assume the principles that really obtain in nature; and that our system, after we have composed it with great labour, is not mere dream and illusion.'[29] In other words there was a backwards and forwards between induction and deduction.

The method required a huge amount of data, for if one were to examine the laws of motion behind the 'great machine' of the world, a wide sweep of materials across time and space were needed, as Montesquieu, whose aims were very similar, had found. As regards space, it was important to consider

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[26]Meek, **Ignoble**, 220-1

[27]Campbell and Skinner, **Smith**, 95

[28]Ross, **Smith**, 55

[29]Quoted in Campbell and Skinner, **Smith**, 92

all kinds of civilization at every level. Thus Smith used his experiences in France, Glasgow and elsewhere, and his collection of travel literature, to learn about China, India, the American Indians and anything else that he could. The work of Du Halde on China, and of Lafitau and others on America were especially important and like Montesquieu he tried to absorb the great rush of new knowledge pouring into Europe into his general theories. He was able to do this the more effectively because, like Montaigne, Smith maintained a lofty and detached relativism. For example, he recognized that in aesthetics, as well as in everything else, standards were variable and there was nothing that was ultimately 'right'. 'What different ideas are formed in different nations concerning the beauty of the human shape and countenance! A fair complexion is a shocking deformity upon the coast of Guinea. Thick lips and a flat nose are a beauty. In some nations long ears that hang down upon the shoulders are the objects of universal admiration. In China, if a lady's foot is so large as to be fit to walk upon, she is regarded as a monster of ugliness.'[30] He noted that each culture tended to condemn the others as bizarre, without examining their own equally strange practices. Referring to a North American Indian practice of shaping the head into a square form by tying boards round children's heads, he wrote that 'Europeans are astonished at the absurd barbarity of this practice, to which some missionaries have imputed the singular stupidity of those nations among whom it prevails. But when they condemn those savages, they do not reflect that the ladies in Europe had, till within these few years, been endeavouring for near a century past to squeeze the beautiful roundness of their natural shape into a square form of the same kind.'[31]

All this comparative data helped him to fill out the general theory of the evolution of human civilizations which was his life's central work, but even the wealth of material left huge gaps. In particular, it was very difficult to know what had happened in periods before written records survived or in oral cultures. To overcome this problem he developed a method which Dugald Stewart termed 'theoretical or conjectural history'. This was history where in the absence of direct evidence, as Stewart put it, '"we are under a necessity of supplying the place of fact by conjecture; and when we are unable to ascertain how men have actually conducted themselves upon particular occasions, of considering in what manner they are likely to have proceeded, from the principles of their nature and the circumstances of their external situation."'[32] Campbell and Skinner point out that 'Smith provided early evidence of the technique, opening his treatment of the development of language by supposing two "savages, who had never been taught to speak, but had been bred up remote from the societies of men."'[33] The method was very close to the Newtonian method. On the basis of the actual evidence one would build up a set of hypotheses or conjectures, moving from the known to the unknown, and then see if these then elicited any further information which refuted or confirmed the 'conjectures'.

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[30]Smith, **Moral**, 288

[31]Smith, **Moral**, 288

[32] Campbell and Skinner, **Smith**, 67, quoting Stewart.

[33]Campbell and Skinner, **Smith**, 67

One of his most famous instances of 'conjectural history' or model building was his elaboration of the four-stage theory of civilization which has provided the foundation for all of the social sciences since he wrote. Basically Smith divided the history of civilization into the four 'stages' of hunter-gatherer, pastoralist, settled agriculturalist and 'commercial' society. These stages were defined by the mode of gaining a living and were associated with many other features - the density of population, the development of government, the rise of private property, the development of arts and crafts.[34] Through detailed analysis, Ronald Meek has traced this framework back to Smith's lectures of 1751. This was the very year in which Turgot developed a similar theory, and both of them had been inspired by Montesquieu. Meek believes however that Smith took the idea much further than Montesquieu by seeing the stages as naturally developing out of each other, and as primarily determined by the mode of subsistence or earning a living.[35]

Meek is puzzled, however, as to why Smith and Turgot should both seize on a passage in Book XVIII of the **Spirit of the Laws** and simultaneously proceed to transform it dynamically 'into a novel theory of socio-economic development?'[36] It is a puzzle which Meek never really solves, but which we can perhaps resolve by two arguments. Firstly, if we examine Montesquieu more closely, we see that the gap between his theory and Smith's is far less than that assumed by many Smithian scholars. Montesquieu already had a dynamic theory of social change, as in his work on the fall of Rome or the history of feudal Europe. Smith only needed to elaborate a framework that already almost fully existed. Secondly, the feeling of dynamism and 'progress' which we find more pronounced in Smith probably largely reflects his life's experiences. In Montesquieu's home area around Bordeaux and in France in general there was only slight 'progress', if any. The great contrast was with England, but that is far less impressive than seeing one's own home area transforming itself within twenty years. As we have seen, this is exactly what Smith observed in the Glasgow region. He felt the massive and rapid shift between stages two and three as the 'pastoral' stage in the Highlands gave way within a couple of decades to the settled agricultural stage with the aftermath of the battle of Culloden in 1745. And he could observe from his windows and talk to the people who were rapidly bringing about a commercial society and laying the groundwork for an industrial one. It is not surprising that his framework should be more 'dynamic' as he watched two of the four great transformations occurring before his eyes.

The importance of this stadial framework was immense. It was the foundation for Smith's thought and that of Ferguson, Millar, Kames and others. It was elaborated and developed by the those who re-founded the social sciences in the second half of the nineteenth century, strengthened and made into a unified picture of man and nature through the Darwinian vision. It helped provide the framework for the understanding of world history and in particular the mass of new knowledge generated by the expansion of Europe.

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[34]e.g. cf. Smith, **Jurisprudence**, 201ff

[35]Meek, **Smith**, 29

[36]Meek, **Smith**, 29; cf Meek, **Ignoble Savage**, 35

We see from this account of Smith's life and method that he was well placed to investigate the riddle of the modern world. He lived at its edge, on the border of English civilization, but he also lived at its epi-centre, the same corridor where James Watt was revolutionizing the design of the steam engine and hence providing the mechanism to unlock the power to sustain the industrial revolution. Smith was also a part of a great tradition and network of thinkers, from the Greek philosophers onwards.

Although we tend to think of great thinkers as isolated geniuses, of course their views are largely shaped by a complex network of other minds. In many ways, therefore, what we call 'Adam Smith' is a composite, a concentration into one life of numerous trains of thought. Smith synthesized and organized them, but it is no detraction from his greatness to realize that he was just part of a great river through which much of western speculation flowed. Smith undoubtedly owed a heavy debt to the French physiocrats.[37] He owed a good deal to Sir James Steuart.[38] His interests were close to those of Henry Home, Lord Kames, and he said that "'we must every one of us acknowledge Kames for our master".[39] His work overlapped with that of Josiah Tucker.[40] Through his teacher Frances Hutcheson he learnt from the Dutch jurists.

Above all he owed a debt to Hutcheson himself. Five days a week, when he was in his mid-teens studying for his M.A. in Glasgow, he would attend the inspiring 'prelection' of Hutcheson, covering jurisprudence and politics. Leechman in 1755 described Hutcheson's 'civic humanist theme of the importance of civil and religious liberty for human happiness.'[41] Leechman wrote that "'as a warm love of liberty, and manly zeal for promoting it, were ruling principles in his own breast, he always insisted upon it at great length, and with the greatest strength of argument and earnestness of persuasion: and he had such success on this important point, that few, if any, of his pupils, whatever contrary prejudices they might bring along with them, ever left him without favourable notions of that side of the question which he espoused and defended." (Leechman, 1755: pp.xxxv-xxxvi)'[42]

Smith's work was also connected to that of our other major thinkers all of whom helped compose the

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[37]Skinner, **System**, 123ff

[38]See Skinner in Jones and Skinner, **Adam Smith Reviewed**, ch.10

[39] Quoted in Stocking, 'Scotland', 66; see the whole article for an outline of Kames' thought

[40] See the interesting summary of the relations by Stern in his introduction to **Josiah Tucker**.

[41]Ross, **Smith**, 54

[42]Ross, **Smith**, 54

puzzle for him and provided their own answers from which he drew. From Montesquieu's work Smith derived part of his central methodology, in particular the idea of tracing the development of certain institutional forms through a series of stages. Smith was also encouraged to undertake comparative speculation by the **Spirit of the Laws**. A second influence was the poet Alexander Pope, whose **Essay on Man** summarized many of the contradictions between wealth and morality which would lie at the centre of Smith's analysis. The battle between 'self-love' or selfishness and social virtues, constituting the central tension in the emerging capitalist world which Smith would dissect, is Pope's theme and his resolution of the conflict is almost identical to that proposed by Smith. Pope considers the essence of individualistic capitalism and the way it transmutes selfish competition into public wealth. Both Pope and Smith were influenced by the philosopher Bolingbroke, to whom Pope dedicated the **Essay on Man**. Pope also puts into verse some of the key constituents of Smith's famous theory of the 'invisible hand', that is of the orderliness and fixed laws which lie behind the apparently chaotic flux of events. Many of these themes are also echoed in the work of another writer who influenced Smith, Bernard Mandeville. Mandeville invented the phrase 'the division of labour' and analysed the mechanism in a way that was helpful to Smith. A second overlap was in Mandeville's famous posing of the paradox of 'private vice, public benefit'. Finally, Mandeville argued forcefully for minimal government interference or **laissez-faire**, an idea which Smith explored in greater detail. [43]

The final influence to be considered was the largest of all, namely that of Smith's closest friend, the slightly older philosopher David Hume. They shared many views, for instance on trade, taxation and population growth. One area where Hume tried to resolve a central problem which also lies at the heart of Smith's endeavour was how the production of wealth had grown in Europe despite the strong tendency towards predation on wealth. Hume elegantly outlined the problem, the normal tendency to use any growth in wealth or technology to increase centralized power and social inequality, which in turn would crush further development. Furthermore, he provided an ingenious set of arguments to explain how, once only, the trap had been avoided. He praised manufacture and commerce and explained not only its economic, but also its social and political benefits. He showed how a market economy could become self-sustaining and why international trade benefited everyone. He described the virtuous circle by which increased wealth might lead to a balance of power and to individual liberty, which would in turn lead to further wealth. He showed how a prosperous middle class was central to this process.

Hume's wide-ranging mind also contemplated Montesquieu's question of why Europe seemed to be economically dynamic, while China seemed to be 'stationary', and he put forward several ingenious suggestions which overlap with those which Smith was to develop. He traced the chain of causes from ecology to economy and described the advantages of the political and cultural pluralism of Europe. He showed how such pluralism allowed technological growth and how competition led to wealth accumulation, documenting the advantages of a set of independent units placed within a loosely united civilization. Finally, he explored the question of why England had been more successful than any other country in linking social, religious and political independence to the creation of wealth.[44] Many of these insights were incorporated into Smith's work through a process of discussion and correspondence, and

[43] See Mandeville, **Fable of the Bees**.

[44] See Hume, **Essays**, particular the essays 'Of Commerce', 'Of the Rise and Progress of the Arts and Sciences', 'Of National Character'.

through reading Hume's essays. Yet as with all the thinkers whom Smith encountered, he transmuted and re-cast their arguments into a new and compelling synthesis which is his own. Given Smith's enormous concentration, deep knowledge and stimulating contacts, we may wonder what his answer to the riddle of the origins, nature and causes of the central features of a newly emerging world was.