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Character Issues: Classic Reprints

EJW editorial note: This lecture of March 1955 to the Scottish Economic Society has not previously been made available in any electronic form. The present version results from manually typing up the essay as found in Macfie's *The Individual in Society: Papers on Adam Smith* (London: Allen & Unwin, 1967): 19-41. But the lecture first appeared in the *Scottish Journal of Political Economy* 2(2): 81-103. We gratefully acknowledge the *Scottish Journal's* permission to reprint the piece. At the end, we have added "About the Author," but everything else that follows, including "thole," "kenspeckle," and the occasional brackets are, to our knowledge, faithful to the 1967 appearance.

The Scottish Tradition in Economic Thought¹

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ABSTRACT

This essay must start with a confession. In undertaking, some months ago, to submit an article on some such subject as 'The Scottish Tradition in Economic Thought', I was, it is now clear, in a state of not very creditable ignorance. I had then a rather vague idea that one could in an article say something directly significant on this subject. I had, of course, at various times read the Scots classics in a rather haphazard way; but the effect of reading them all straight through in their proper sequence, in the hope of tracing the individual Scottish thread running through them—the effect of this has been radical. For it has forced the

1. Delivered at the Annual General Meeting of the Scottish Economic Society on March 24, 1955. Reprinted from the *Scottish Journal of Political Economy*, vol. II, pp. 81-103.

2. A.L. Macfie (1898-1980) held the Adam Smith Chair of Political Economy at the University of Glasgow, Glasgow, United Kingdom G12 8QQ.

conviction that there is a quite specific doctrine and method in Scots economic thinking, especially clear and influential between roughly 1730 and 1870, and still alive, if not on top. As it shows some of the greatest names—Hume, Smith, the Mills—and also some considerable satellites—Hutcheson, Lauderdale, Rae, McCulloch—it at once appears that a mere article will not do. If there is a Scottish line inspiring these great writings, then only a volume could do it justice. The kind of thesis one would like to examine is the view that between Hutcheson and John Stuart Mill it was that Scottish mode of approach that formed the atmosphere of British economic thought. But this starts many other hares, and the most we can do here is to chase some of them conscientiously.

Our general theme must then be that there is a characteristic Scottish attitude and method which is important in the history of economic thought. It may be called the philosophical approach, though many of us may prefer to call it, equally aptly, the social approach. This is not the dominant approach today in academic teaching—the scientific or analytical method holds that place everywhere—but in Scotland the traditional approach is still alive and influential.

It should then be our business to show that this Scottish method and interpretation grew in a definitely historical setting. It grew out of the Scottish soil and reflected truly the Scottish atmosphere. To establish this one would need to describe at least four influences which nourished it. First, there is a place of Scots social thinking in the stream of European culture and history. The Scots gave it their own typical turn but their thought is in the broad Stoic stream. It was brought to its highest pitch by Hutcheson, Hume and Smith. Rather more speculatively, it was alive and dominant in the Mills. Then this Scottish method has its simple everyday reflection in the teaching and curricula of the Scots universities, especially Glasgow in the period between Carmichael and Smith, and later Edinburgh. This we need to prove the persistence, the natural roots of the method. It has formed the seed-bed of Scots students and teaching—all of them in our Scottish universities—right back to link up interests of the Scottish people, and they again have their special contacts and friendships with the Continent, practical contacts shaping the educations of the people who provided the leaders in Scotland till after the '45.

It will then be necessary to show how this approach and method were at work in the classical sequence up to and including the Mills. It was indeed working in Marshall, though more as a climate than as the guiding line. Is this not the way in which the faithfulness to the classic line, on which he so insisted, took effect? Certainly Jevons was the more typical English exact scientist. But we must not digress. An equally strong claimant as a fact is the decline of the philosophic method from its dominant position, or from being a pervading atmosphere, after about 1870. Along with this we have to note the relative decline from eminence of

Scots economic thinkers. After the Mills no Scot reaches the heights in economic theory, and after Marshall there are no more ‘three-deckers’, no comprehensive philosophic surveys of economic theory. Whether this is because the Scot can be great only when he may also philosophize is a matter for speculation.

Then finally one ‘lone star’ influence that demands notice is the fact of Smith’s genius. Genius can have strange indirect effects. Its brilliance often extinguishes other valuable, though lesser lights. This is not due to any lack of sources in Smith’s work; they are all there. But successors cannot continue on the level of genius. One aspect of the great man, probably that which suits later conditions, is chosen, much of the rest probably rejected. The section of Smith’s work which was so chosen and developed till it became supreme was the first two books of the *Wealth of Nations*. The theory of static equilibrium there so carefully sketched has grown into an analytic system and method which has for long dominated English-speaking universities, and our universities today control our theory as never before in modern times. It is a paradox of history that the analytics of Book I, in which Smith took his own line, should have eclipsed the philosophic and historical methods in which he so reveled and which showed his Scots character. Book I of the *Wealth of Nations* is now a part of world thought, as is the *Origin of Species*, or *Principia Mathematica*. But even so we cannot speak for the future. The positive analytic method is a mere stripling. An immense future stretches ahead; and the past certainly shows that each phase of social development produces its own philosophy and method in all the social disciplines. Do these signs of today which spell out the future show any special call for the sociological method? If so, a Scottish revival is due. An opportunity is opening for Scottish thinkers.

II

We begin then with the thesis that there is a unique Scots method or approach, or interpretation of social issues, as individual as any personal approach, and that it can be described as philosophic or sociological. It rises to maturity in the eighteenth century, especially through the work of Hutcheson, Hume and Adam Smith. They gave it its unique bite of flavour, though the flavour depends on the Scottish soil and cultivation in the propensities and institutions of the people. This is seen in the course of writings taken as their normal education by all the members of this close-knit group—between Edinburgh and Glasgow. The course began with Natural Theology (including some Natural Philosophy), went on to Moral Philosophy, and thence to Justice and Law. It was under the law of contract and private property, with its social aspects, that the broad descriptive

and critical comments on political economy arose (the kind of discursive comment *ambulando* which the philosophic method naturally and richly inspires). This accepted sequence is found in all the writers—in Gershom Carmichael, Adam Ferguson and Dugald Stewart as much as in the great trinity. It also dominates the method and point of view of Lauderdale and Rae, though after Smith the more specialized treatment of economics inevitably begins. Each writer may give his work a special slant towards his own special interest: Hutcheson towards morals, Hume towards metaphysical skepticism and also history, Ferguson towards sociology and Smith towards economics. Smith, however, like Hume, adds the crown of genius, and genius is apt to confuse the inevitabilities of logic. It also shapes history in a way which may obscure the roots and setting of the writer. Thus, just because Smith is a world figure, we are apt to ignore his completely Scottish character. We cannot begin to understand him, especially what are often thought of as his weaknesses, if we thus ignore his roots, for the Scottish method was more concerned with giving a broad well balanced comprehensive picture seen from different points of view than with logical rigour. In fact, Smith was, like the others a philosophic writer, modeled on Hutcheson, whom W.R. Scott truly called the ‘preacher-philosopher’.³ His aim was to present all the relevant facts critically. Modern writers start from a totally different angle. They found on the law of non-contradiction. They aim at isolating one aspect of experience and breaking it down by analysis into its logical components. Thus the older type of writer is often accused of ‘inconsistencies’, and certainly these are to be found, especially in Hutcheson, whose pupil here Smith certainly was. To the analyst such inconsistencies are anathema. To the modern method they represent failure. But to the philosopher they reflect the facts of our experience. It is part of wisdom to recognize, accept and be able to carry such inconsistencies. While we should of course try to reduce them, we should not insist on avoiding them in our critical descriptions, for then we omit the crux of our fate, and also the practical human problems.

This attitude is still very much alive in the Mills. James is the most sociological of the Benthamites and his valuable historical and psychological expansions are in the true synthetic tradition. The son of course is both the jack and master of all trades. If one reads through the *Logic*, the *Political Economy*, and the main ethical and political writings in one gulp, the sheer wide power, range and status of this mind cannot be missed. But the ‘improvement’ bacillus is always at work in it, inspiring and driving—the optimistic though individual practical belief in wide human improvement reflected down from Hutcheson and Smith. The Utilitarian movement is itself, of course, a philosophy. But as a philosophy it is

3. W.R. Scott, *Francis Hutcheson*, p. 70.

English rather than Scottish, especially in its positivism and its willingness to be dominated by facts. Bentham gave it these main characters; by contrast the Scottish qualities in the Mill writings are unmistakable.

But is the attitude and tradition still alive? Well, it has to be confessed, only in a rather negative way. Scots teachers and writers are today certainly primarily interested in the historical or the social and critical system of Marshall's *Principles*. But that is a world movement. They were themselves brought up in it. The writings of Scots economists are, however, still coloured by the traditional Scottish point of view. One hint, significant if slight, anyone immersing himself in this literature can hardly miss. In the Scots writings up to recent times there is hardly, so far as I can find, one serious example of the use of mathematics to develop analysis. (The Hutcheson example is well known. He removed the mathematical passage in the second edition of the *Inquiry concerning Beauty and Virtue*.) Some may contemplate this fact with relief. The whole Scots sequence cleaves to actual events, to historical and institutional relations growing through them, and to the individual experiences that support and develop the argument. But such individual factors do not lend themselves to mathematical or purely deductive logical treatment. It is not the case that there is any relative weakness in the Scot in mathematics. The facts certainly prove the opposite in the eighteenth and nineteenth centuries, in Glasgow and Edinburgh.⁴ The obvious explanation is that the Scottish philosophical and the mathematical methods do not blend. The assumptions in the first are normative, in the second exact. For this very reason, mathematical processes are especially grateful to the English exact positive scientific approach in economics. It is no doubt a useful contrast of methods within our small island. Ideally, the one should stimulate the other.

It should be noticed here that this approach is reflected in the curricula of the Scots universities, and always has been. It has been bred into Scots thinking over all the generations, and is now steadily acquired as well as inherited. This can be illustrated by the curricula of the eighteenth century. The course was in Humanity and Greek Philosophy (metaphysical and natural), Logic and Moral Philosophy, and, less securely though it was always there, Mathematics.⁵ It is here interesting that in August 1695 'the Faculty at Glasgow appointed "Mr. John Tran...to compose the Ethics, Oeconomics and Politics" for the general course in philosophy which the Parliamentary Commission of 1695 was seeking to arrange by agreement between the four Scots universities'. This was only a tidying

4. For the seventeenth century see H.W. Meikle, *Some Aspects of the later seventeenth century in Scotland*, p. 25.

5. The Chair of Mathematics in Glasgow dates from 1691 but it was not until 1826 that the subject was formally admitted to the curriculum for the degree of M.A. This seems to have kept down the number taking the subject. But the record is creditable, especially in the great period. Cf. Mackie, *The University of Glasgow*, p. 216.

operation, for the disciplines were already established in all the universities. Lively individual preferences, as might be expected, prevented any common course from ever reaching print, so Mr. Tran's course is not available; but the fact stands out that as early as 1695 'Oeconomics and Politics' were established studies for the graduands.

We should never forget that Adam Smith grew from these roots; that his work is as influenced by them as any writer's could be; and that it could not have grown from any but just such an exactly and richly cultivated soil. This fact has been obscured by the unfortunate inadequacy of Scottish histories of the seventeenth century. Yet, as H.W. Meikle insisted in his Murray Lecture, the foundations for the future cultural growth were in fact largely laid in Scotland in the seventeenth century. Adam Smith was taught in a burgh school in Kirkcaldy, and later in the normal courses of a Scots university he built up the knowledge, methods and aims of his own thinking. He was not building on air or mere personal talent, as popular records are apt to suggest. We should remember such strategic events as these: The Advocates' Library began its modern career in 1682, and, as Dr. Meikle insists, it was one of the vital vehicles of Scottish culture. Again, Stair's *Institutions of the Law of Scotland* appeared in 1681. This is the scientific genesis and inspiration of Scottish jurisprudence, and is itself a unique work by any standard. It was from such stems that Smith's genius was bred. The foundations remain to this day. No Scottish student in Arts can take a pass degree without a philosophy, and the Honours courses are based on the width of the pass degree, as knowledge of at least four subjects is required in it (though modern specialization has made some inroads). This training has no doubt encouraged a people more interested in a philosophic argument (and in persuading other people that he, the teacher, is right) than even in getting what one wants. (Does not the Englishman typically make exactly the opposite choice?) The Scots theological interests and relations should also be mentioned, but cross illustrations will grow as we proceed.

We note next that this local movement of thought was itself also a reflection, though as an original facet; a reflection of what was perhaps the major European stream. It is the great flow from Stoicism. But the Scottish inspiration came rather through the Roman glosses than from the Greek sources. Cicero, Marcus Aurelius, Seneca, Epictetus, these were Hutcheson's mentors (though Leechman mentions the way he encouraged Greek studies). Hume's references are to the same texts, and so it is for all of them. They did not—they were not trying to—dig so deeps as the mighty Greeks. They were painting a broad practical sketch of society, expressing all the important balances, not exposing the roots. For these slightly superficial surveys the Roman texts were invaluable models. As an example, take Hutcheson dealing in their typical way, later followed by Hume and Smith, with the advantages of social life. He quotes Cicero (*De Finibus*) on the

advantages of population sufficient to allow of division of labour. The passage has his usual optimistic flavour. It does not appear in his treatment of economy, and it is interesting as showing the social origin of the Scottish treatment of division of labour rather than the more individualistic source described by Locke. But this so fruitful treatment of division of labour is still embedded in an ethical, political, legal argument.⁶ It was Smith who was inspired to effect its transference, to form the premiss of a purely economic argument and so give a new science its task and direction.

The Stoic influence in Scottish thought is most apparent in the constant study of Law. Especially on the practical side of this philosophizing, the argument was carried by discussions of property rights and origins, or by questions on contract, particularly in relation to land. This appears in the first teacher of the school, Gershom Carmichael, under whom Hutcheson studied and whose major work was the editing of the text of Puffendorf. So we are back to the broadest river in European culture, the Stoic-inspired Roman jurisprudence, carried practically throughout Europe on the broad currents of Roman and Canon Law. The richest contacts for Scotland came from France and Holland. (The French, like the Scots were more deeply versed and skilled in Latin than in Greek.) In our Glasgow school this comes through directly in the study of Puffendorf, and especially of Grotius, whom Smith read under Hutcheson. This tradition pervades the *Wealth of Nations*, but in a Scottish dress. It is optimistic, tolerant, always eager for social benefits between as well as within nations, very different from the nervous, individualist, critical, touchy excursions of the revolutionary French writers. This good temper the school owes at least as much to Hutcheson as to Smith. Leechman, who was a pupil of Hutcheson and later became Principal in Glasgow, has described Hutcheson's personal attitude in words which apply equally to Smith, and indeed to Hume and all the Edinburgh writers. In spirit, aim and conduct they were citizens of the world, and they behaved as such. The world was smaller then and more harmonious, but these sympathies and contacts still struggle to live in Scotland today.

These scrappy remarks are all that space allows here. The place of Scottish thought in the main stream of European jurisprudence is a subject that grows in subtlety and scope the more one learns about it. It would need a long chapter in any volume dealing with our subject. Its literature is as massive and difficult as any Europe's thought can show. But there is a more popular level of interpretation,

6. This passage occurs in vol. I, p. 289, of *A System of Moral Philosophy*, in a discussion of 'the necessity of a social life'. It is quite separate, in place and subject, from his treatment of economic values which occurs in vol. II, Ch. 12, embedded in his consideration of contracts.

and it may be useful to suggest in a footnote some simple writings that at least serve as introductions or summaries.⁷

The main faith which the Law of Nature and Stoicism inspired in Scotland was a faith in natural liberty in a natural society. Here certainly Smith was Hutcheson's faithful disciple. Of Hutcheson, Leechman tells us: 'As he had occasion every year in the course of his lectures to explain the origin of government, and compare the different forms of it, he took peculiar care, while on that subject, to inculcate the importance of civil and religious liberty to the happiness of mankind: as a warm love of liberty, and manly zeal for promoting it, were ruling principles in his own breast; he always insisted on 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 questions which he espoused and defended'. Smith certainly was so influenced with the others. But our view of natural liberty in the *Wealth of Nations* has received a deceptive twist from history, from the individualism of the industrial developments, and the interpreters, apologists and critics, of the Industrial Revolution. This twist does not do balanced justice to Smith's own feeling about natural liberty: here he followed his teacher, and was in a broad way, at one with his fellow writers. The arguments were thrashed out in relation to American colonists. On this, though earlier, Hutcheson was at least as liberal and decisive as Smith.⁸ And the extent to which Smith's imagination could range is seen in his suggestions for federal government in a unified British family. Here again we have to make an effort of historical imagination to see what our classic fathers wanted and appreciated. We are so apt to read our own wants, especially in terms of some index number of the standard of living, into their more closely-knit social and cultural aspirations. Perhaps this quotation from Hume expresses their hopes as tersely and vividly as we have space for: 'The more these refined arts advance, the more sociable do men become; nor is it possible that, when enriched with science and possessed of a fund of conversation, they should be contented to remain in solitude, or live with their fellow-citizens in that distant manner which is peculiar to ignorant and barbarous nations. They flock into cities; love to receive and communicate knowledge; to show their wit or their breeding; their taste in conversation or living, in clothes or furniture. Curiosity allures the wise; vanity the foolish; and pleasure both. Particular clubs and societies are

7. *Legacy of the Middle Ages* (Meynial on Roman Law); *Cambridge Medieval History*, vol. V (Hazeltine, Roman and Canon Law); Vinogradoff, *Roman Law in Medieval Europe*; Bryce, *Studies in History and Jurisprudence, Holy Roman Empire*; James Macintosh, *Roman Law in Modern Practice*; and J.N. Figgis, *From Gerson to Grotius*.

8. Cf. *The William and Mary Quarterly*, vol. XI, No. 2 (April 1954). For Hutcheson the article by Professor Caroline Robbins (a grateful name) is specially interesting. The whole number is very relevant.

everywhere formed, both sexes meet in an easy and sociable manner, and the tempers of men, as well as their behaviour refine apace. So that, besides the improvements which they receive from knowledge and the liberal arts, it is impossible but they must feel an increase of humanity from the very habit of conversing together and contributing to each other's pleasure and entertainment.' Natural liberty is a very different sentiment when inspired by the aim of 'an increase in humanity' from that pervading business specialization. But it was this society as a glorified Athenaeum that these eighteenth century Scotsmen desired, and indeed to a creditable, if limited, extent achieved.

It might here be convenient very briefly to recall some of the more influential factors in these Scottish contacts; especially with France and Holland. The natural enemy was England, and this lingered, so far as influences went, into the early eighteenth century. So the inevitable friends were found in the Low Countries and France. Professor Mackie remarks: "There was much coming and going between Scotland and France, where until about 1670, the government accorded to the Huguenots the privileges promised by the Edict of Nantes in 1598, and it is obvious that in the world of western scholarship the man from Glasgow could fully hold his own.' That he did so can be gathered, on a popular level, from such a study as *The Scot Abroad* by John Hill Burton. The direct evidence is scattered over the memoirs of scholars, statesmen and fighting men in all literatures of Europe. The Reformation paved the way for a possible partnership with England but the balance swung decisively only in the eighteenth century. We need merely mention the economic ties with the Low Countries. Only 1707 with its gradual swing towards the west in commercial expansion, displaced these predominant links with the Continent. Of equal influence, especially in the sixteenth and seventeenth centuries, were the religious contacts. Scottish churchmen in their many see-saw evasions tended towards Holland, Geneva, even France, rather than towards England.

The evidence here is well known. What was important was the personal and social impact of these contacts. It is best realized through the diaries—again a formidable library. But four famous later ones can be recalled—those of 'Jupiter' Carlyle, Ramsay of Ochertyre and Cockburn, and, most intriguing of all, the recent Boswell volumes. There is also a lesser known one, from which a passage seems worth quotation because it reflects vividly a swing in Scottish social habit; it comes from *John Fergusson 1727-50 (An Ayrshire Family in the Forty-Five)* by James Fergusson. Lord Kilkerran, a Court of Session judge, is concerned about the education of his son, the subject of the biography. He wishes a legal training such as will suit him to care for the Ayrshire estate. 'John's education', we are told⁹ 'had

9. Op. cit., p. 25.

advanced to the university stage when, in the autumn of 1743, his father decided that it should be completed in England. It was an unusual decision for those days. For generations past Scottish boys, especially students of law, had gone to the continent to seek such instruction as they could not get at home. This was partly because of the long wars with England and the traditions of continental alliances and friendships they left behind. Moreover, English universities were not open to Presbyterians, nor, if they had been, could the Roman Law, on which the Scottish legal system is founded, be studied there so well as in the Netherlands, where Lord Kilkerran himself had gone as a young man, and many of his contemporaries.' The boy was placed at Dr. Dodderidge's (dissenting) Academy at Northampton. In a letter to the reverend doctor the father says, 'The boy is seventeen since July last, and after being taught Latin and Greek at the publick school¹⁰ with the assistance of a tutor, has been one year at the University with Mr. Maclairn, Professor of Mathematicks, whose name will not be unknown to you. What his proficiency has been in the languages I shall not anticipate your judgment, and as they are of great use in life, especially the Latin, for the study of Roman law, to which I intend he shall apply himself, I hope it will not be out of your way to improve him in the knowledge of the language. The Greek I know you are more fond of in England than we are here, and for gentleman educated for the church it is absolutely necessary, but otherwise I consider it only as a part of the belles lettres'.

This no doubt marks a social watershed. Thereafter, in growing volume the contacts are English. In the earlier diaries, however, we feel the strength of the personal influences. They are mainly centred round the Law and the Church. The leaders of Scotland depended on the management of their estates, or aimed to acquire estates. The law they must know was feudal and Roman, and the pre-eminent schools of such law were in Holland and France. Every man of property, intent on the education of his heirs, inevitably sent them on their Continental travels. In this regard, it is one of the smaller compensations of Boswell's swing to good behaviour that he turned (with such agonizing) to Holland and the traditional road for Scottish finish. For one could desire no more complete short account of the type of studies young Scotsmen followed than that in *Boswell in Holland*; and the spice of genius is added, as ever with Boswell. Part of the genius brings us to the heart of the personal life for the many Scots who share in Boswell's gaieties. But they are all very serious also, as one would expect of the breed. We certainly feel their determination to master any knowledge which will help them to manage their Scottish affairs. The same practical spirit and thoughtful comparative study of foreign institutions also flavours Sir James Steuart's volumes.

10. The High School of Edinburgh. The mathematician is Colin Maclaurin, of the *Treatise on Fluxions*.

In their social gatherings the Church and the men-at-arms are the other main contributors. From the diaries we can sense the strength of the eclectic tradition. They are typically curious about people, men at work, about comparative institutions and what we could call 'social statistics'. They are not concerned with logical processes or sequences, or the framing of abstract hypotheses and their analysis to their utmost limits. They wish to build a truly balanced picture of social life as they found it and the forces which controlled it. Here it must be insisted Adam Smith is a true Scot of the eighteenth century. He had the common Latin Continental scholarly basis (how strange to find his library so full of Stoic texts, so almost entirely devoid of technical economic texts). He is not consciously concerned with building a logical model, or even with arguing in the merely logical mode. We should note his inconsistencies, but we should remember that they are the reflections of the method. Each aspect, the analytical, the historical, the contemporary-comparative (or sociological), is dealt with in turn. The inconsistencies arise out of these different aspects, and so out of real conditions. In Book I we have the analytics, and they bore such great issue that Book I has almost obliterated the rest in the world's estimate; but the rest is at least as characteristic of Smith as Book I. It is the *whole* book which represents his meaning.

Next in this family history come that unique father and son, James and John Stuart Mill. That this is fact some may contest; especially outside Scotland they may not be recognized as full-blooded Scots. Their effective lives were spent in the metropolitan circles of British culture, and they spent their lives in advocating a social theory and policy which are generally regarded as English, though they are more truly British. Certainly, we ought to accept the son's own words that *philosophically* he was no Utilitarian. One could spend an article on each of these issues; here we can only summarize. About James Mill there is really no question. To the end of his days he was as Scots as his native Angus (and the breed there is strong). Of his type he is really a very Scots Scotsman, so Scots that the parishioners who heard his early 'tasting' sermons could not thole him. No doubt a church is one of the few places in which a Scotsman submits to being told, but evidently the burning ardour to teach that was James Mill's enduring dynamic in life took intensities which even they were not prepared willingly to stomach.

His story is as typical a Scots success story as one could find. He had the special qualities and virtues of the Scottish approach, and he brought them from Scotland via Edinburgh University. He was interested in all social forces and structures. There are the usual exercises in comparative sociology in both the *Elements* and the *History of British India*. (In the latter there is an interesting reference to the work of John Millar in Glasgow; a direct link between the tradition's source and the modern classical sequence.)¹¹ And of course he shows the eclectic

interests that are so Scottish, especially in his wide psychological insights. The simple clarity of his thought and style reflect his great Scottish predecessors (of the east rather than the west coast). Indeed his very clarity may explain why he has been so constantly underestimated. Obscurity is one way to temporary reputation. Ricardo's *Principles* is, to most non-specialists at least, unintelligible if they try to consider the book as a coherent system.¹² So it is probably Mill's translation of it in his *Elements* that in the earlier period carried the original work into the central consciousness of ordinary British thinking. For Mill's little book is entirely clear, though it is probably as near to what Ricardo meant as anyone is likely to get, which may not be very near. But further, here, and most distinctly, the economic theory is placed in its proper relation to the other social sciences, in the true Scottish manner. 'It is also,' he writes, 'in a peculiar manner, the business of those whose object it is to ascertain the means of raising human happiness to its greatest height, to consider, what is that class of men by whom the greatest happiness is enjoyed. It will not probably be disputed, that they who are raised above solicitude for the means of subsistence and respectability, without being exposed to the vices and follies of the great riches, the men of middling fortunes, in short, the men to whom society is generally indebted for its greatest improvements, are the men, who, having their time at their own disposal, freed from the necessity of manual labour, subject to no man's authority, and engaged in the most delightful occupations, obtain, as a class, the greatest sum of human enjoyment. For the happiness, therefore, as well as the ornament of our nature, it is peculiarly desirable that a class of this description should form as large a proportion of each community as possible.' So even James Mill saw visions, and here what a prescient vision! For he foresaw the welfare state, in which we are all to be comfortably middle-class. There is, further, no doubt that on its personal side Mill was the driving power of the whole movement. The tributes of George Grote¹³ and of his own son, and his letters with Ricardo leave no doubt about this. Through him the Scottish tradition flows through the veins of the whole Utilitarian movement.

For the son, on the merely factual side, the case is less obviously strong. His mother was English, though she had little, if any, influence on his intellectual life.

11. Mill quotes Millar as an authority on three occasions: in important footnotes on the English constitution, slavery in primitive times and the position of women in North American tribes. Calling him 'that sagacious contemplator of the progress of society', he later remarks that 'the writings of Mr Millar remain about the only source from which the slightest information on the subject can be drawn', the subject being civilization among the Hindus. I am indebted to Dr R.L. Meek for this reference.

12. Need it be said that no criticism of Ricardo is here intended? His contribution to economics is shining and accepted. But many will agree with Schumpeter's summary: 'Ricardo's *Principles* are the most difficult book on Economics ever written. It is difficult enough even to understand it, more difficult to interpret it, and most difficult to estimate it properly' (*Economic Doctrine and Method*, p. 80).

13. G. Grote, *Minor Works*, p. 284.

He lived in England through his formative and most active years. But was it England? Could anyone live under the direct guidance of James Mill without living rather intensely in Scotland? The famous, in some respects infamous, education was his father, and it is just a supreme example or excess of a peculiarly Scottish propensity. It formed Mill through and through. It produced a mind of unique power, speed and range. Reading over his major works—and one has to do this to sense his special power, for it is extensive rather than intensive—one cannot miss the recognition that this is a weapon specially forged, made possible only by the conscious persistence of its maker. Evidence of a type which others may find inconclusive is the simple fact that, in these two, any knowledgeable Scot will recognize his brothers; not in capacity, but rather in their fanaticisms and weak spots. Especially Scottish is their consuming desire to teach everyone they meet. If one were asked to find outstanding examples of this fanaticism, few could stand beside them. Perhaps the Ancient Mariner could. With that goes the typical elimination of the humorous point of view which is so generally accepted in the south as Scottish. The teaching Scot, like the ravaging wolf, is too busy to be humorous. If his mind had been disengaged he could no doubt have seen the joke, perhaps as quickly as a Frenchman or a missionary. But he is not interested in the joke. He has to get his message across. It is not argued that this is necessarily a proper attitude. It is merely insisted that it is a Scots attitude, and that the Mills illustrate it pre-eminently. Then again, Mill's 'inconsistencies' are even more famous than Smith's and they arise out of the same method for the same reasons. There are other questions that arise with John Stuart Mill, especially perhaps in regard to his wife's responsibility for the social aspects of his writing, but these we must ignore. They do not alter the broad conclusion as to Mill's responsibility for the sociological emphasis throughout the *Principles*, and especially in the theory of distribution. Yet this is entirely what one would expect of one brought up by his father, who was in turn nourished by the Scots method and interests.

This brings us to about 1870, or indeed later, if we include Marshall. Marshall is the equivocal figure. If the Mills are typically Scots, Marshall is the proper English contrast. The *Principles* of Marshall is in the shape and spirit of the *Principles* of Mill, as Marshall delighted to insist. One wonders at times if he does not protest too much. Certainly the tone and wide sympathies, especially of Book III and VI, are in the tradition, but the footnotes and Books IV and V introduce the modern monographic abstractly analytic method. The history passes down to the Appendices. Some gremlins have slipped into the cupboards and cellars of the venerable building. As we know, the footnotes and the appendices have grown to separate commands. They have sunk the 'three-deckers', which sail the seas of realistic speculation no more. Perhaps it was Jevons who launched the decisive attack, for he began the long line of modern positive scientific monographs, but

the contributions of Marshall towards their ultimate victory are as subtle and deep as was Marshall himself.¹⁴

However this may be, the fact which stands out for us is clear. The specific Scots tradition ceases to dominate about the middle of the century (sharing rule with Ricardo). There are no great, or even highly placed, Scottish writers in economic theory after Mill, and after Marshall the tradition that Scots thinkers did so much to form, the eclectic, comparative, widely sociological tradition, has faded out. What is still very much alive is the analytic method, the technique of static equilibrium which finds its source, or a main source, in Book I of the *Wealth of Nations*. But this is no longer specifically Scottish—it never was. It is absorbed into the stream of world thought as truly as is the central theory of Darwinian evolution. In its modern, dominantly Marshallian perfection it has captured the Universities. All academic economists have spent their lives teaching it as the core of their subject. And the Universities today control the spirit of social theory far more exclusively than in the eighteenth or even the nineteenth century. Only Smith of our greater Scots economists was an academic, and he was so much more. This (perhaps temporary) eclipse of the Scottish method is then the last fact we must, rather dismally, record.

III

We turn from fact to fiction—here admittedly a distinction of degree. The effect of Smith's genius on the course of the Scottish tradition is a difficult speculation. Yet one cannot ignore it, for it was also Smith's genius which started the modern analytic method on its conquering course. Anyone who studies any pre-Smith Scottish economist (Sir James Steuart, say), then Ricardo, the Mills and Marshall in sequence, will accept this. Here then is the novel individual force that Smith himself contributed. But in his use of history and of broad sociological facts and comparisons to develop his argument and to demonstrate the need for considering all the influences together as seen in actual institutions—in this Smith was not original, he was simply Scottish. His aim was the Scottish, not the modern aim. If here also he shows genius, as he did, it lies in the richness, the apt relevance of his illustrations. It is a mistake here merely to lament the past. The old sociological thinkers of the Scottish school had weaknesses and gaps that to us are glaring. Especially, their view of what can pass as a fact fully deserved Dugald

14. This paragraph may seem to suggest that Marshall would have sympathized with the predominance of analytics and the specialized monograph. I believe this is the opposite of the truth. Marshall was essentially a perfectionist, seeking to reform the institutions and members of the *society* he knew, and wished us all to know. If so, he was nearer the early classics than the economic theorists of today.

Stewart's inspired description, 'conjectural history' (he did not mean this as a criticism). With their equipment, based as it was on little more than travellers' tales, facts could hardly be more than conjecture. If the older method is ever to revive in economics, we must realize that the task will be much more difficult than it was in the eighteenth century. Then one mind could reasonably absorb all the writings on the social sciences, as a glance through Adam Smith's library will show. Today this is impossible. We are all so specialized that when we stray from our own disciplines the sense that we may be talking weak superficialities is an inadequacy that we must accept and face. May it not be mere arrogance for any of us to expect to survey all the knowledge? Or has the delusion of Faust in reality captured our spirits? A due humility seems to require that we take the risk of these recognized inadequacies. The eighteenth century thinkers were not accustomed to speak with the assured dogmatism of our modern analysts. As we are, with our present one-line specialisms, we run the risk that nowhere will a balanced picture of the whole social adventure, or even sections of it, be drawn. Yet this should always be the crown of our endeavour. Are our trained thinkers then to leave this valuation to journalists and politicians, for it will inevitably be made by someone? It is neither fair nor right that they should be alone in making it. And it seems immensely dangerous to allow them to be alone.

It should not be laid to Smith's account that Benthamite Utilitarianism became the basis of orthodox economic thought. The opposite is the truth, on the ethical side; Smith there went much deeper than Utilitarianism. It is in fact just an accident of history—one of the many which underline the inadequacy of mechanistic interpretations—that the method of static equilibrium originated in his Book I. The central assumptions of Benthamite Utilitarianism are themselves antithetic to the whole spirit of the Scottish social school. The main philosophic contrast is between a mechanistic psychology, which inevitably eliminates any truly moral theory, and the optimistic forward-looking assumptions of the Scottish school; or again it is seen in the fact that the Scots saw the central fact as a *growing* society, a creature quite different from any single individual, whereas to Bentham any society was merely an aggregate of individuals. This broad contrast is of central importance for modern economics simply because Marshall accepted as the basis of his positive economic theory the mechanistic 'ethical' or psychological assumptions of Bentham.¹⁵ The static equilibrium theory of 'normal' value is therefore itself inevitably mechanistic. It traces the run down, after disturbance, to

15. *Principles*, p. 17, n. [One must remember this is volume I. If Marshall had written volume II, he would certainly have dealt with dynamic theory. As to the association psychology, the eighteenth century Scottish school also accepted it but this was *fante de mieux*. This psychology prejudged the emotion *versus* reason argument in favour of the former. It therefore laid thinkers like Smith open to the charge of inconsistency, when they appeared to give reason any determining power.]

a position of stable equilibrium. It has great heuristic value. But its practical inadequacy stands out; it is not equipped to deal with changes *away* from equilibrium. Yet these changes seem to dominate our economic fates.

In this context a historical speculation will perhaps be allowed. Suppose Benthamism had not captured the dynastic succession. Is it possible that then the spirit and outlook of Lauderdale and Rae might have gained command? We can at least imagine it. They were both critics of Smith, inevitably though admiringly, but they were both completely in the Scots manner and method. It is, however, the line of their criticism that is significant. They thought Smith's theory should give more weight to the importance of invention, novelty, new arrangements in history. Smith, of course, did much here, but to Lauderdale and Rae invention is picked on as the core of economic growth, and this is suggested as the central issue in theory and practice.¹⁶ One cannot say this of the *Wealth of Nations*. If their interpretation had developed, it would have had to do so through the Scottish type of procedure, by comparative and historical excursions. The analytic equilibrium theory in fact misses change. It cannot cope with the individual causes of change, just because it is analytical. This means that the method deals with laws and characters that are common on different economic situations. But change and innovation cannot be dealt with by such a method, simply because an innovation, an economic novelty or change away from equilibrium, is by definition a fact. It is therefore in the major sense unique, not common. If it is thus unique as history, it must then be dealt with, it can only be dealt with finally, by methods which are proper to the particular, to qualities as well as quantities. Such methods as the historical, the philosophical or the sociological, are in their turn complementary. The Bentham-Marshall analysis has given us keen cutting power where regularities can be traced, and this is invaluable, but the older method has faltered or been absorbed in the sands of specialization. Yet the strong basis for its use, as Lauderdale and Rae saw it, still remains. Enterprise is its most positive pole. It is the individual improving or creative element that finds some place in *every* worker in his degree. This is the drive behind economic growth. There are ample sources for this, as for most lines of theory, in the *Wealth of Nations*. Had it grown, it is possible to imagine the type of theory that Schumpeter has so richly developed in our day, working in

16. For emphasis on the vital importance of what we can summarize as 'know-how', and the suggestion that Smith did not give it sufficient weight, see Lauderdale, *Inquiry into the Nature and Origin of Public Wealth*, pp. 159-61, 176-7, 184-5, where Smith is criticized for missing the special productivity of capital, its own productivity as distinct from that of labour; cf. also p. 287. For Rae this productivity of capital is the central theme. It inspires the whole of his remarkable *Sociological Theory of Capital*. Mill with his usual wisdom quoted fully from the outstanding passage (Mill's *Principles*, pp. 165-72), but Rae's theme just is that economic progress depends on enterprise, so in turn on the existence of those social conditions which call it forth. Chapters IX, X, and XIV are especially relevant.

broadening circles through the whole range of economic experience over the last two centuries. If this had happened, our economic theory would certainly be a better balanced, a more realistic, more practical equipment than it is today. We might also be nearer control of our main economic evil, the problem of unpredictable growth or decay, inevitably away from economic equilibrium.

IV

If we try to account for the decline in the Scottish influence, we become even more speculative, and because, apart from its influence on the future (on which this article will end), the subject is of no special practical importance, only brief comment is attempted. We should perhaps first remember that the very brilliance of our eighteenth century throws our judgment out of balance. One would not expect the splendour of classical Athens from its modern representatives. The power of the Scottish influence on European thought is indeed surprising as coming from such a small and then rather remote people. That they realized their position is often evident in their remarks. It is taken for granted quite naturally in this letter from David Hume to Gilbert Elliot (1757): 'Is it not strange,' he writes, 'that at a time when we have lost our Princes, our Parliaments, our independent Governments, even the presence of our chief nobility, are unhappy in our Accent or Pronunciation, speak a very corrupt Dialect of the tongue, which we make use of: is it not strange, I say, that in these circumstances, we should really be the people most distinguished for Literature in Europe?' It is the strangeness, not the fact that excites his wonder. The fact was accepted, and Hume was certainly no boaster, and was in a position to judge. To ask why it happened is as hopeless of answer as questions about any broad movement of history.

On the more practical side, the cradle being mainly in Glasgow, there is real occasion for research into the economic setting there over the century, for it showed a vigorous outburst of energy, and opportunities made and taken, such as would stimulate and direct wider social enquires. The eighteenth century rapidity at least must be rather unique. Later, Glasgow slowed down to the tempo and form of British industrial development in general. But the answers we can offer to 'Why the decline in Scots economists?' are at best negative. The one positive factor we have noted is that an antithetic movement of thought captured the leadership of social thinking, and Scotsmen, like Welshmen, or even Irishmen, have been absorbed into it. We in the Scottish Universities have done our due and proper part in teaching economic theory in the Bentham-Marshall tradition to a rich flow of students. The present article may at times have seemed critical of that

tradition, but this is not intended. Any fair estimate must recognize the invaluable services to accuracy of definition, objective consistency and cutting edge that the more positive methods have built and sustained. When we remember the vague guesses of previous speculation we must insist that these disciplines of the experimental and scientific methods are at least an essential stage in the longer journey of knowledge. But are we sufficiently satisfied with their results to regard them as more than a stage, tool-making rather than directly ore-bearing?

However that may be, there is little doubt that Scotsmen, while acquiescent, have not been entirely comfortable and luxuriant in modern economic theorizing, and it may well be that men so placed do not tend to excel there. The Scottish mood remains critical. The trend has been to teach the orthodox line, but to do one's special work rather in historical, social or semi-philosophical research. The two obvious Scots rebels should at least be mentioned—Ruskin and Carlyle. That their crusade was largely emotional is not in itself to its discredit. But here we deal with scientific thought, so we need only remark that their protests were typical of the Scottish tradition in that they were broadly social and moralistic. A more closely reasoned academic reaction is to be found in one who taught Marshall's system all his academic life yet came in the end to feel it was not enough. William Smart's *Second Thoughts of an Economist* puts the equilibrium theory of distribution entirely fairly (on the lines of his book on Distribution). He quietly insists that if you are teaching mere economics, you must in logic and common sense distribute according to 'economic worth'. Where he reacts, as he reflects on his work towards its close, is in the conviction that economic theory should itself be based on assumptions which are at once more realistic and more moralistic than those accepted in Marshall's footnote (on page 17). He agrees that the static equilibrium theory of prices follows logically from the assumption that a rising standard of living is a sufficient aim for economic science—but only, he correctly points out, if we think of the standard of living in merely quantitative terms. If exact logic is maintained, Benthamite assumptions can lead only to such conclusions. (Strict logic is not in fact maintained.) Yet, to this experienced business man who later turned to teaching and economic history, it was clear that the quantitative measure was incapable of dealing with the real emotions and forces which inspire business and working men. If pushed to the application we wish to reach, it gives false results. We wish, for workmen also, the economics of free enterprise in a growing society rather than what we have been given, the economics of free competition in a static society. This is the Scottish reaction still at work.

It is difficult to find a kenspeckle link in the tradition between Smart and John Stuart Mill, simply because there are then no kenspeckle Scots economists. In Glasgow the man who bridged these years was Edward Caird. He taught some economic theory in his Moral Philosophy course, but in the only set of notes

available (made by a student in his class) the economic theory is slight;¹⁷ it is typically illustrated from classical and Stoic sources, interlaced into their moral theories. He certainly regarded it as part of his duty, though a small part, to teach Political Economy, but when he felt the subject grow beyond his energy he gladly passed it on (in 1887) to William Smart. The following passage,¹⁸ which concludes a public lecture by Caird, shows, however, how conscious he was of the wider social forms in economic life, and how typically Scots was his reaction to them: 'I do not think it will be possible henceforth to separate political economy from general study of politics, or to discuss the laws of the production and distribution of wealth apart from the consideration of the relation of the distribution of wealth and the modes of distributing it to the other elements of social well-being. The abstraction of science will always be necessary for thorough knowledge of economy, as of everything else; but when we isolate part of *human* existence, it is more important than in relation to any other subject to remember that we *are* abstracting—*i.e.* that we are dealing with fragments of a whole, of which no final account can be given by anatomy. The practical value of the social science of the future will depend not only on the way in which we break up the complete problem of our existence into manageable parts, but as much and even more upon the way in which we are able to gather the elements together again, and to see how they act and react upon each other in the living movement of the social body.'

One might well ask, where has the Scots energy gone, if it has lacked the highest achievement in economics? Some questions merely raise others. After all, the abilities of a people can be spread over all its interests. To academic minds, Theology, Philosophy, the Law, Science, Medicine have always opened wide doors, and there the generations of Scottish scholars have found at once satisfaction and distinction. But more specifically one may expect a people to follow its aptitudes. If so, Scots interested in sociological or normative processes would not find these very directly in modern analytical economics. Here it may be fair to note the numbers of distinguished Scots in the history of social anthropology. In the eighteenth century they shared almost oligopoly with the French, but later we have Maine, J.F. McLennan, W. Robertson Smith, Sir Alexander Gray and Professor Hamilton in their contributions to economic history. And, in general, anyone who knows the Scots universities from the inside realizes that the most natural approach of Scotsmen is either philosophical or historical, or severely applied in the sense that it confines itself to interpretation based on scientifically established fact. So it is with the students also. No one who

17. There may be further sets of his notes in private hands. If so they would be welcomed by the Library of his University, if legible.

18. Edward Caird, *The Moral Aspect of the Economic Problem* (1888).

has taught Scots students can miss the special response when the philosophic aspect is raised. We cannot explain such tastes. It is just 'the nature of the beast'.

Finally, as to the future, will it be likely to offer new opportunities to Scotsmen to follow their bent? If it does, we may expect a more positive Scottish contribution. Whether Scots today maintain the qualities so impressive in their scholarly past is endlessly debatable because the limits of the argument cannot be fixed. Their interest in the speculative and in the normative type of knowledge is certainly as intense. It appears that the influence of the Church is not dominant as it certainly was in the eighteenth century. It was the Presbyterian structure that then most closely expressed the familial relations of the relatively small society which led the country.¹⁹ This may have diminished, but mainly in form. If one were to add the intellectual impacts of the Church, the Universities, the Law, Medicine, the more scientific side of business, the Scots are certainly as intellectually inclined today as ever they have been. Then again, one might point to some watering of the warm family emotion which formed our earlier loyalties and institutions. Certainly the power of the larger kinship group has passed. But we remain a small tightly knit nation, keenly interested in each other as persons living together. That this still lives is expressed in our poetry, essentially a folk, a family literature. The talented editors of *A Scots Anthology* (stretching from the thirteenth to the twentieth century) remark: "The main body of Scottish poetry is not in this heroic vein but springs from the normal day to day life of the people, a people who, until the end of the eighteenth century, lived wholly in the country or in small towns where you had only to go down a wynd off the main street to reach the country. It was, too, a remarkably homogeneous people. Rich and poor lived pretty close together and the gap between the great folk and the common folk was not an unbridgeable gap; divisions between the classes did not obscure their common humanity. And so we find that a court poet like Dunbar could leave the lofty, artificial, allegoric strain and be not only familiar, but vulgar; that some of the best of our songs of peasant life and feeling are by writers of the landed and professional classes; that Scott—Sheriff of Selkirk; Laird of Abbotsford, and Baronet—could write of the life and feelings of common folk with an understanding and reverence equalled only by Wordsworth; and that, in our own time, *Fisher Jamie*—that delightful serio-comic elegy on a Tweedside poacher—was composed by a highly cultured Scot who ended his life as Governor-General of Canada and Chancellor of the University of Edinburgh." If one reads through these five hundred or so pages of living emotion, the continuing sense of personal individual life in a free community is manifest. We

19. Cf. Mackie, *The University of Glasgow*, pp. 186, 212.

may still then feel assured that whether or not we are the size of our fathers, we remain the same kind.

The future, however, will open to us only if we give it what it wants. Are there any signs that there may be a renewed need for the Scottish approach in the social sciences? Here we can only consult our broad impressions. Are we satisfied that the methods of analytic economics are sufficient, or indeed alone suitable, as the theoretical approach to the economic issues now typical in industry? In the nineteenth century the practical effort was specialized as never before. It appeared reasonable to treat by a linear science what was then practiced as a rather linear way of life in private business. Even within their own minds, it was customary for business men to keep somewhat separate the standards of business from their more speculative ethical and religious ideals, and a simple code of the economic man could have sufficient appearance of practical relevance, as well as afford a firm intellectual basis. Between them social biology, Freud, the joint-stock company, modern nationalism and wars, the inevitable state direction they foster, have altered the slant of our thought about man in society. The importance of groups as the setting of the individual, perhaps the central awareness of the eighteenth century in Scotland, this awareness is today again dominant; dominant in fact, and therefore to be dealt with by scientists; dominant in the kind of problem which practice proposes to thought, as in all the mixed issues of welfare and defence which make up the traffic of our political life. In this new world, the effort to see the different aspects together in their proper relations again becomes at least as important as the exact definition and analysis of each aspect. The two traditional methods, the analytic and synoptic, are then seen to be complementary, mutually supporting and nourishing each other. We may well have to be patient with sociology. Its difficulties are immense. But if there is a future for sociological economics and politics—and if there is not we shall have to make it—then there is an opportunity for the resurgence of the Scottish tradition and the Scottish genius. May the opportunity make the men!

About the Author



Alec Lawrence Macfie (1898-1980) was born in Glasgow, served in the First World War and then studied at the University of Glasgow. In 1930 he became lecturer in Political Economy and then held the Adam Smith Chair of Political Economy from 1945 until he retired in 1958. He was Dean of Faculties, 1974-1978. His works include *Theories of the Trade Cycle* (1934), *An Essay on Economy and Value* (1936), *Economic Efficiency and*

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Social Welfare (1943), and *The Individual in Society: Papers on Adam Smith* (1967). In 1971 he published in the *Journal of the History of Ideas* a paper on the expression “the invisible hand” in Adam Smith’s works. Macfie was coeditor with D.D. Raphael of the Glasgow edition of Smith’s *The Theory of Moral Sentiments*, published in 1976 and now available from Liberty Fund. Macfie’s papers are held by the University of Glasgow ([link](#) to the Macfie collection). In *The Individual in Society*, Macfie wrote: “To Smith [passions] are natural, but to be duly restrained. And the positive agent in restraint he finds, not in any revulsion from due self-love and developing wealth, but in the growth of moral rules and social institutions to control them appropriately, through the slow workings of informed sympathy” (81).

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